

DAILY TECHNICAL REPORT

2 August, 2011



Ron William, CMT, MSTA



Bijoy Kar, CFA



WINNER BEST SPECIALIST RESEARCH

DISCLAIMER & DISCLOSURES

Please read the disclaimer and the disclosures which can be found at the end of this report

MIG BANK Forex Broker 14, rte des Gouttes d'Or
Tel +41 32 722 81 00 Fax +41 32 722 81 01

MARKET	S-TERM MULTI-DAY	L-TERM MULTI-WEEK	STRATEGY/ POSITION	ENTRY LEVEL	OBJECTIVES/COMMENTS	STOP
EUR/USD	→	→			Await fresh signal.	
GBP/USD	→	↑			Await fresh signal.	
USD/JPY	↓	→			Awaiting Trade Setup above 80.00.	
USD/CHF	↓	↓	SHORT 1	0.7997	0.7600 (Entered on 27/07/2011)	0.7870
USD/CAD	↓	↓			Await Trade Setup (neutral).	
AUD/USD	↑	↑			Awaiting Trade Setup.	
GBP/JPY	→	→			Awaiting fresh signal with a bias to shorts.	
EUR/JPY	↓	↓	SHORT 1	117.70	105.44 (Entered on 04/07/2011)	113.70
EUR/GBP	↓	↑	Sell limit 3	0.8800	0.8740/0.8500/0.8285	0.8860
EUR/CHF	↓	↓			Short at 1.1650 met final objective at 1.1000.	
GOLD	→	↑	Sell Stop 3	1590	1505/1470/1440	1605
SILVER	→	↑	SHORT 3	39.2800	36.7750/32.3125/28.9000	41.5500

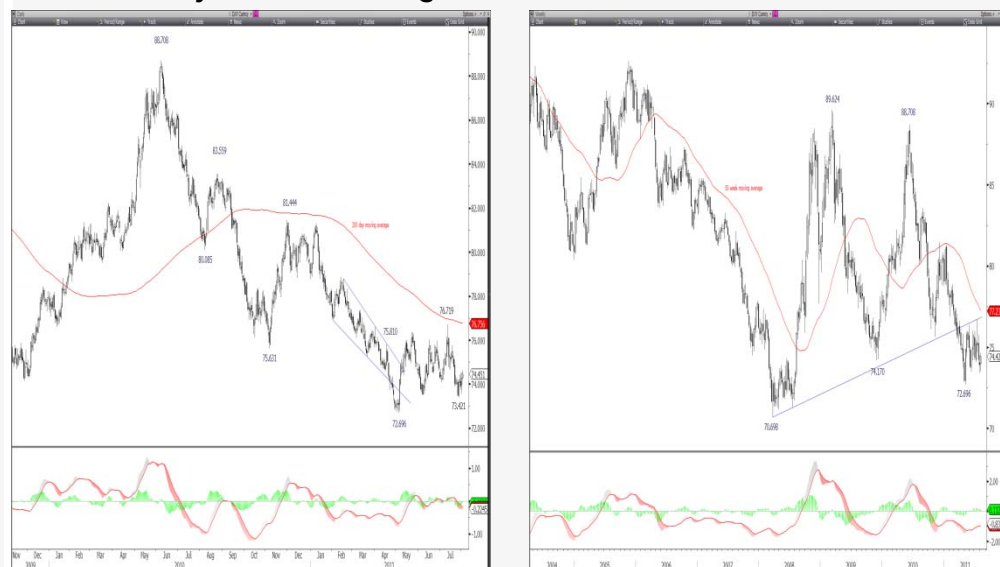
Notes: Entries are in 3 units and objectives are at 3 separate levels where 1 unit will be exited. When the first objective (PT 1) has been hit the stop will be moved to the entry point for a near risk-free trade. When the second objective (PT 2) has been hit the stop will be moved to PT 1 locking in more profit. All orders are valid until the next report is published, or a trading strategy alert is sent between reports.

CH-2008 Neuchâtel
info@migbank.com

Switzerland
www.migbank.com



EUR/USD daily chart, Bloomberg Finance LP



US Dollar Index daily and weekly chart, Bloomberg Finance LP

Failed breakout reinforces key level at 1.4580.

- + EUR/USDs recent bearish engulfing reversal pattern may have signaled yet another failed breakout from the daily triangle pattern. The move (which was fuelled by broad weakness across key markets), also helped reinforce key resistance at 1.4580.
- + We still expect sharp price moves across key "risk" market proxies around our important July 29-30th cycle inflection point (+/-) 2/3 days, which coincides (or not) with the official US Debt ceiling resolution.
- + Our long standing bearish view remains in play while the downtrend (from May) holds. A resumption of bearish momentum will target 1.3928 (200-DMA), where a large amount of die-hard trend followers will be watching closely for repeat support or a big squeeze lower. Only a close above 1.4580 will lead to a reassessment of this view.
- + Inversely, the US dollar index is staging an oversold bounce from key support at 73.50-73.00. We expect this level to hold (as the last point of defence), helping launch a rebound back into 80.00.

SPECIAL REPORT : EUR/USD "A Fall From Grace" ? Decline Targets 1.3770/1.3410.

Please select link: [REPORT](#) [VIDEO](#)

S-T TREND	L-T TREND	STRATEGY
-----------	-----------	----------



Await fresh signal.

Ron William, Technical Strategist, E-mail: r.william@migbank.com, Phone: +41 32 7228 454



GBP/USD weekly chart, Bloomberg Finance LP



GBP/USD hourly chart, Bloomberg Finance LP

Potentially within the midst of a corrective phase.

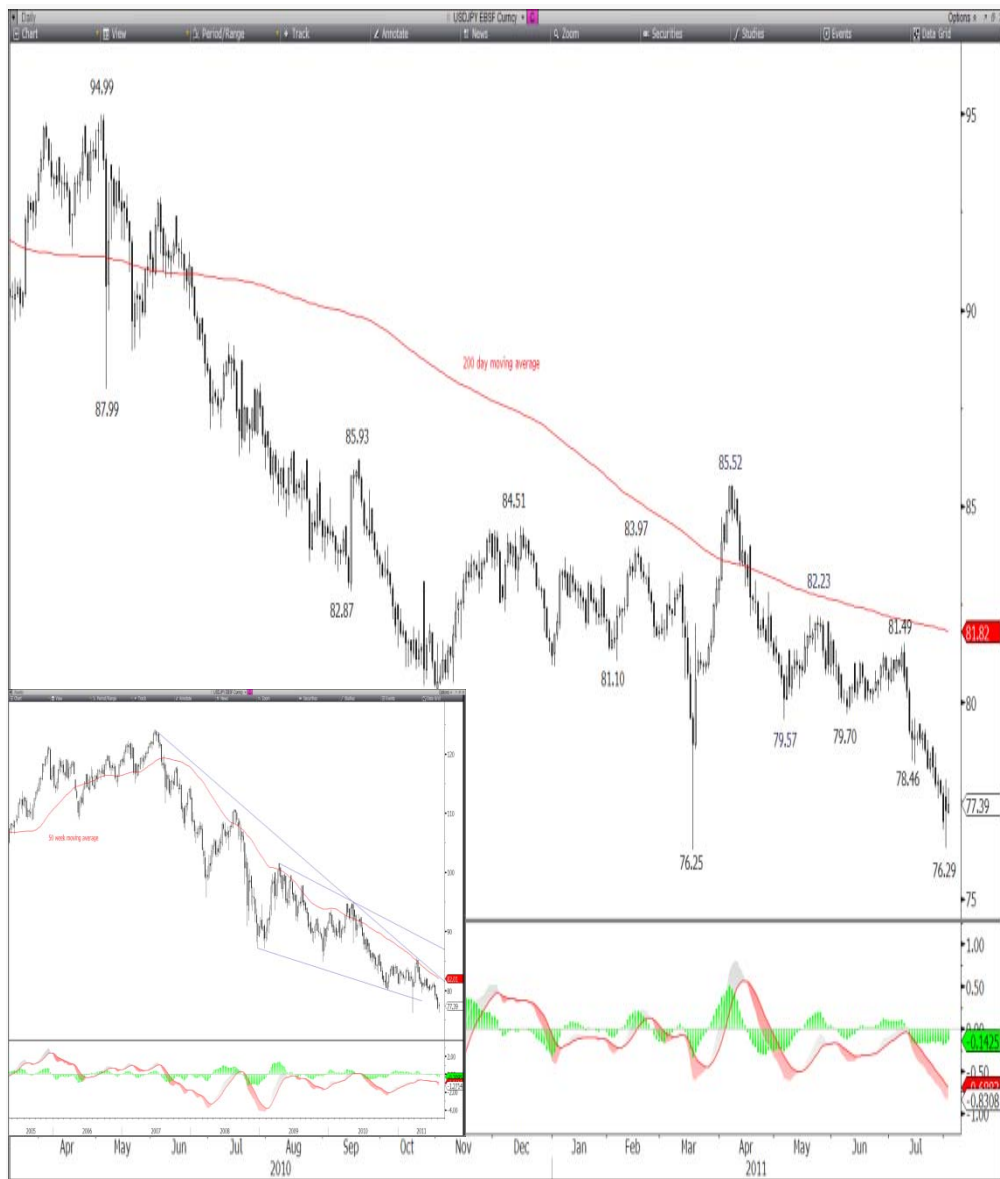
- + GBP/USD has bounced from the 50 week moving average, currently at 1.6023. The recovery that has followed has also pushed above the resistance of a daily bear channel, warning of a return to 1.6547 and then 1.6747.
- + Furthermore, long-term trend-line resistance off 2.1162 has been tested as support, suggesting that the recovery from 1.4231, in the weekly timeframe, remains intact.
- + However, short-term structure from 1.5781 suggests that the rise from this same level may now be complete, with a possible minor head and shoulders top forming for a corrective phase lower.
- + Failure to remain above 1.6200 will warn of a fresh relapse in the longer-term timeframe.

S-T TREND L-T TREND STRATEGY



Await fresh signal.

Bijoy Kar, Technical Strategist, E-mail: b.kar@migbank.com, Phone: +41 32 7228 424



USD/JPY daily and weekly chart, Bloomberg Finance LP

Initial support seen close to all time low at 76.25.

- + USD/JPY has weakened further and has broken beneath extreme support at 78.44/24 (78.6/78.6% Fib retracement-March upswing).
- + We remain bullish in the medium to long-term, but are more cautious, watching for a potential oversold bounce and sustained resumption of the preferred new structural bull-cycle. However, a close beneath 76.25 would change our view.
- + To signal an impulsive move higher, we still need a sustained close above strategic levels at 80.00, then 82.00 (post G7 intervention high) and 83.30 (post Earthquake shock high), then onwards into 85.50 (07th April high).
- + The bulls must extend gains past 85.50 to trigger a renewed attack onto 88.00 (Major ending diagonal pattern ceiling).

S-T TREND L-T TREND STRATEGY



Await Buy Trade Setup above 80.00

Ron William, Technical Strategist, E-mail: r.william@migbank.com, Phone: +41 32 7228 426



USD/CHF daily chart, Bloomberg Finance LP



USD/CHF hourly chart, Bloomberg Finance LP

Possible longer-term accumulation zone?

- + Second objective met at 0.7800. Stop moved to 0.7870.
- + USD/CHF continues to trade under the support of the multi-month falling wedge formation.
- + Yesterday saw our second target met with scope now for a final swing lower towards 0.7600.
- + We note that the push under the long-term falling wedge support is required to complete this ultimately bullish long-term pattern.
- + This now increases the probability of an eventual recovery higher.
- + With this in mind we have lowered our stop to 0.7870 and view the current region as potentially offering medium-term scope for USD/CHF long positioning. However we remain wary of issues in the Eurozone periphery which have been responsible for the extreme pricing we see now. We await the appropriate short-term set up.

S-T TREND L-T TREND STRATEGY



Short 1 at 0.7997, Obj: 0.7600, Stop: 0.7870.



USD/CAD daily and weekly chart, Bloomberg Finance LP



EUR/CAD and CHF/CAD daily chart, Bloomberg Finance LP

Unwinding from multi-year lows.

- + USD/CAD is once again unwinding from multi-year lows at 0.9407 and its extremely oversold conditions. Corrective activity was originally triggered after the rate's expanding pattern initially failed at key resistance into 0.9906-0.9915 (38.2% Fib-Sept 2010 decline & 200 DMA).
- + Meantime, our medium/long-term perspective remains neutralised after the failed breakout from the multi-month wedge pattern.
- + Indeed, the bulls must now recapture 0.9779 (12th July high), to achieve a sustainable recovery into 0.9968 (17th March high) and 1.0000 (parity level).
- + Elsewhere, EUR/CAD is consolidating having recently breached its 200-day MA. Key support can be found at 1.3379 (61.8% Fib).

In contrast, CHF/CAD has broken above the 2011 high at 1.1887. This move re-establishes the uptrend and may signal further unwinding of risk appetite in the global markets.

S-T TREND	L-T TREND	STRATEGY
↓	↓	Awaiting trade setup (Neutral).



Ron William, Technical Strategist, E-mail: r.william@migbank.com, Phone: +41 32 7228 454



AUD/USD daily chart, Bloomberg Finance LP



AUD/NZD and AUD/JPY daily chart, Bloomberg Finance LP

New multi year highs under pressure?

- + AUD/USD has sharply unwound from its multi-year highs at 1.1081. Next resistance can be found at the psychological level of 1.1200. We are still watching to buy on a pullback, but would prefer to see sustained gains at these extreme levels.
- + Meantime, support can be found at 1.0810 and 1.0443 (TDST line), thereafter unlocking extended downside scope into 1.0359 (50% Fib), then 1.0205 and 0.9990.
- + Elsewhere, the Aussie dollar remains weak against the New Zealand dollar. The pair is still locked within its new bear cycle structure while it holds beneath its 200-day MA. Key support can be found at 1.2500/1.2463.
- + The Aussie dollar has also weakened against the Japanese yen, back into its multi-month pattern floor. A confirmed downside breakout would signal a switch to risk aversion in the financial community.

S-T TREND



L-T TREND



STRATEGY

Awaiting trade setup.



GBP/JPY daily chart, Bloomberg Finance LP



GBP/JPY hourly chart, Bloomberg Finance LP

Failed downside break warns of continued ranging.

- + GBP/JPY continues to trade in a choppy sideways range in the hourly timeframe. However we note the clear bear channel which has contained price movement for the last four months.
- + With both the daily and hourly timeframes ranging we await a breakout ahead of committing to any particular trade direction.
- + Our bias remains to the downside, given the daily bear channel that was noted above.

S-T TREND

L-T TREND

STRATEGY



Await fresh signal with a bias to shorts.



EUR/JPY daily chart, Bloomberg Finance LP



EUR/JPY hourly chart, Bloomberg Finance LP

A return to 105.44 is now favoured.

- + EUR/JPY has broken down again after completing a recovery phase following the peak at 123.33 and then subsequently failing to hold over 116.00.
- + Yesterday's break under 109.58 now suggests scope for a further extension lower, with initial sights set on 105.44. However, we aim to monitor short-term structure present since 113.57 to try to determine the potential for possible targets beyond 105.44.
- + We also note that the recent sharp fall has moved the price back under both the 50 week and 200 day moving averages.
- + Back over 113.70 is required to negate the increasingly bearish outlook for this pair.

S-T TREND**L-T TREND****STRATEGY**

Short 1 at 117.70, Obj: 105.44, Stop: 113.70.



EUR/GBP weekly chart, Bloomberg Finance LP



EUR/GBP hourly chart, Bloomberg Finance LP

Lower high sought for continued weakness.

- + Small alteration to sell recommendation.
- + EUR/GBP appears to have completed the rising phase seen since 0.8285.
- + A return to the 200 day moving average is now favoured. This currently lies near 0.8666.
- + The break out of the rising hourly channel suggests the resumption of a fresh leg lower. With this in mind we seek a lower high to initiate a short position.
- + Back over 0.8850 is required to negate this short-term bearish outlook.
- + We also note that a push under 0.8611 is required to break down the current longer-term bullish structure.
- + If support can be found near 0.8705, scope remains for a return to the region near 0.8810, so we will maintain our trade recommendation there.

S-T TREND

L-T TREND

STRATEGY



Sell limit 3 at 0.8800, Objs: 0.8740/0.8500/0.8285, Stop: 0.8860.



EUR/CHF daily chart, Bloomberg Finance LP



EUR/CHF hourly chart, Bloomberg Finance LP

Prints a succession of fresh annual lows.

- + Second and third objectives met. Possibly sell into a recovery.
- + EUR/CHF has registered a lower high at 1.1892 last week, after leaving a false break out of a rising hourly channel.
- + This has been followed by a succession of fresh annual lows, which now challenge the support of a daily falling channel.
- + We view a break under the channel support as potentially marking the near-term exhaustion of recent weakness. However, while under 1.1892 a lower high would still be sought for a continuation of the larger falling trend.
- + We keep in mind that in the absence of further stresses from the Eurozone periphery, a strong recovery higher would become likely, due to the probable extreme short positioning in this market.

S-T TREND**L-T TREND**

Short at 1.1650 met our final objective at 1.1000. Possibly re-sell.



Gold daily, weekly chart, Bloomberg Finance LP

Gold prices struggle beneath resistance at 1624-1640.

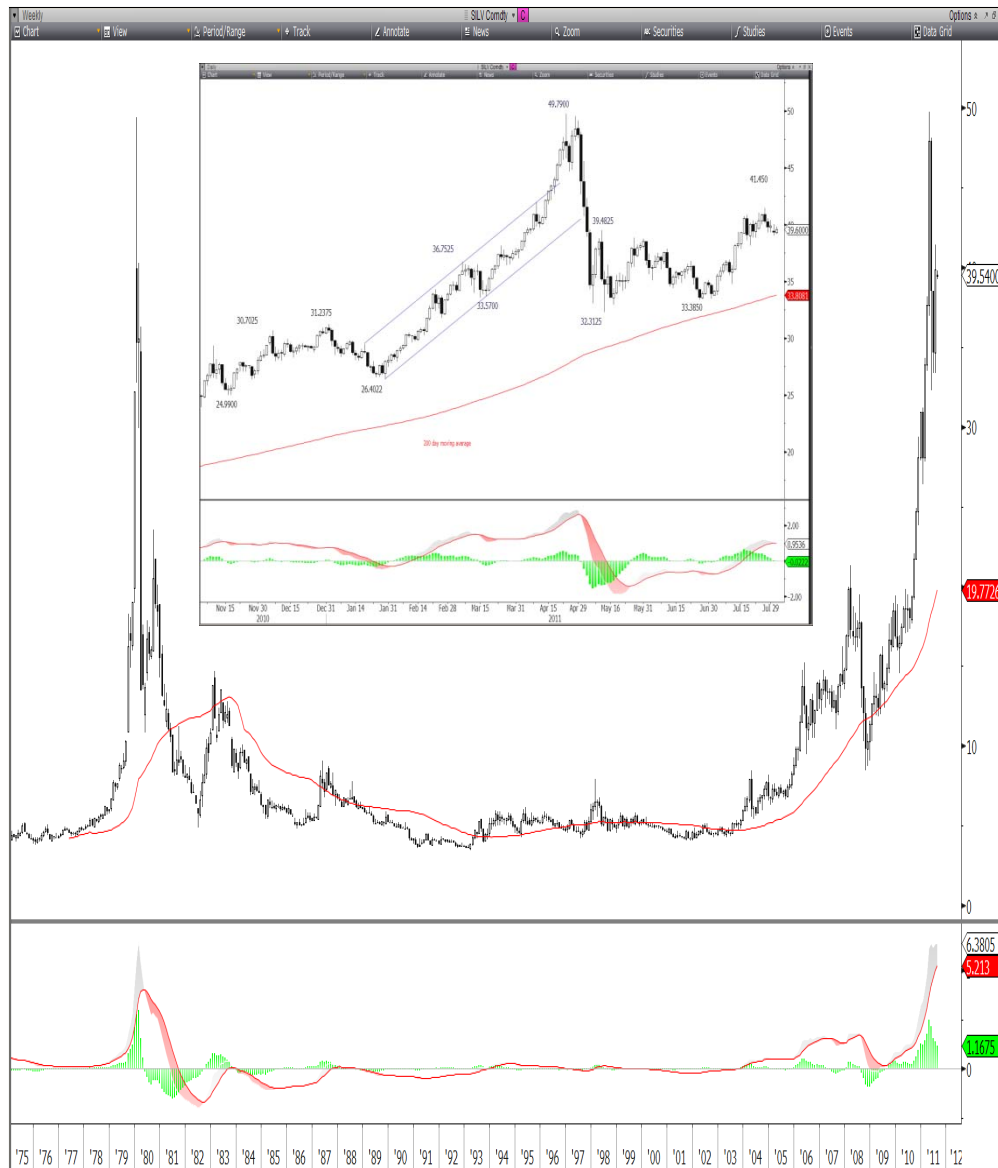
- + Gold prices are struggling beneath resistance at 1620-24 and 1640. The yellow metal must close above these levels in order to confirm sustainable extensions higher in line with the major uptrend towards 1700.00.
- + Until then, we prefer to hedge for downside risks following the recent unprecedented explosive upside move, which triggered a confluence of our momentum exhaustion signals.
- + As previously stated, it is critical the market confirmed a reversal beneath a filtered price/time trigger point. This downside trigger level still holds at 1588/82.
- + In terms of the big picture, we continue to watch price activity within the apex of the 12-year exhaustion pattern which has also developed a unique long-term DeMark™ exhaustion signal.

Gold's COT liquidity indicator (net long positions) remains squeezed within a tight range (as Gold continued to push to record highs on lower volume). At this stage, the risk remains for a downside breakout which would unlock over 1.5 years of sizeable gold long positions.

S-T TREND L-T TREND STRATEGY

Sell Stop 3 at 1590, Obj: 1505,1470, 1440 Stop: 1605

Ron William, Technical Strategist, E-mail: r.william@migbank.com, Phone: +41 32 7228 454



Spot Silver daily, weekly, Bloomberg Finance LP

Failure into key resistance may signal bearish pattern.

- + Silver's latest failure into key level at 41.0513 may signal a bearish pattern. Our short position remains intact, favouring a potential sharp decline over the next few days.
- + Near-term support can be found at 39.1425. A break here would trigger downside risk into 33.8416 (32.8% Fib), near the long-term 200-day MA at 33.5707.
- + Remember that key macro support exists at 26.9600 (50% Fib-1999 bull market) and would still mean that silver's long-term uptrend remains intact.
- + Meanwhile, bulls would now need to close above the recent reversal high at 41.4500 to offer a sustainable recovery higher into our next target zone between 43.1136-43.8477.
- + We also continue to watch silver's relative performance against gold, which is currently unwinding (already up 37%), from extreme oversold conditions.

S-T TREND L-T TREND STRATEGY

Short 3: 39.2800, Obj: 36.7750/32.3125/28.9000, Stop: 41.5500

Ron William, Technical Strategist, E-mail: r.william@migbank.com, Phone: +41 32 7228 454

DISCLAIMER

No information published constitutes a solicitation or offer, or recommendation, to buy or sell any investment instrument, to effect any transactions, or to conclude any legal act of any kind whatsoever.

The information published and opinions expressed are provided by MIG BANK for personal use and for informational purposes only and are subject to change without notice. MIG BANK makes no representations (either expressed or implied) that the information and opinions expressed are accurate, complete or up to date. In particular, nothing contained constitutes financial, legal, tax or other advice, nor should any investment or any other decisions be made solely based on the content. You should obtain advice from a qualified expert before making any investment decision.

All opinion is based upon sources that MIG BANK believes to be reliable but they have no guarantees that this is the case. Therefore, whilst every effort is made to ensure that the content is accurate and complete, MIG BANK makes no such claim.

No information published constitutes a solicitation or offer, or recommendation, to buy or sell any investment instrument, to effect any transactions, or to conclude any legal act of any kind whatsoever.

The information published and opinions expressed are provided by

Limitation of liability

MIG BANK disclaims, without limitation, all liability for any loss or damage of any kind, including any direct, indirect or consequential damages.

Material Interests

MIG BANK and/or its board of directors, executive management and employees may have or have had interests or positions on, relevant securities.

Copyright

All material produced is copyright to MIG BANK and may not be copied, e-mailed, faxed or distributed without the express permission of MIG BANK

Notes: Entries are in 3 units and objectives are at 3 separate levels where 1 unit will be exited. When the first objective (PT 1) has been hit the stop will be moved to the entry point for a near risk-free trade. When the second objective (PT 2) has been hit the stop will be moved to PT 1 locking in more profit. All orders are valid until the next report is published, or a trading strategy alert is sent between reports.



Howard Friend
Chief Market Strategist
h.friend@migbank.com

Ron William
Technical Strategist
r.william@migbank.com

Bjioy Kar
Technical Strategist
b.kar@migbank.com

MIG BANK
info@migbank.com
www.migbank.com

14, rte des Gouttes d'Or
CH-2008 Neuchâtel
Tel.+41 32 722 81 00