

2 March 2004 Paris 5:49 GMT

EURUSD

Outlook neutral



Multiple bearish divergences, after failure to hold above 1.29 and sharp downside correction are signs of weakness.

Yesterday	
1.2542	Hi
1.2427	Lo
1.2445	CI
1.2540	S
1.2515	VS
1.2470	VS
1.2450	S
1.2440	Spot
1.2425	S
1.2400	VS
1.2380	VS
1.2350	S
Moving Ave	
1.2512	5day
1.2633	20d
1.2547	60d
1.1822	200d
Trend	
LT	Up
MT	Up
ST	Neutral

EURUSD, returning below 1.2475, is testing support again, between 1.2400 and 1.2515. We expect a rebound above 1.2515 later on.

EURUSD, capped around the 60-day moving average, remains close to the bearish break level at 1.2380 (with different trend lines converging in that area). The daily indicators are on support level, within their negative area. The hourly indicators are supportive.

The currency pair is testing again support, with lack of momentum on the upside (on a short term basis). The currency pair is seen evolving between 1.2400 and 1.2515. Only a rebound above the latter would argue for a return within the range seen during the past few weeks.

Analyst's Strategy :

USDJPY

Outlook neutral



Yesterday	
109.36	Hi
108.91	Lo
108.94	CI
110.05	S
109.80	VS
109.40	VS
109.15	S
109.03	Spot
108.90	VS
108.75	VS
108.40	S
108.10	VS
Moving Ave	
108.94	5day
106.83	20d
106.84	60d
112.32	200d
Trend	
LT	Neutral
MT	Down
ST	Up

USDJPY, below 109.15 (resistance of a short term pattern) is seen moving below 108.90, towards 108.40 as a strong support. Above the latter, a rebound is expected later on.

The currency pair is finding resistance in its attempt to extend its rise. The daily indicators remains on their high level, with the RSI turning downside. The hourly ones are neutral, signalling some support. Some positions are still expected to be adjusted in the next few days. The currency pair is seen moving below the bearish break level at 108.90, retreating towards 108.40, to find more support.

A rebound above 109.15 would open way for a rebound towards 109.80 (the currency pair is evolving within a triangle on a very short term basis, with support at 108.90 and resistance at 109.15).

Analyst's Strategy :

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<http://fx.bfi.echonet/scripts/TechnicalSummary.asp>

2 March 2004 Paris 6:11 GMT

USDCHF

Outlook neutral



Yesterday	
1.2703	Hi
1.2565	Lo
1.2685	Cl
1.2830	VS
1.2780	S
1.2760	VS
1.2715	S
1.2692	Spot
1.2670	S
1.2575	VS
1.2535	S
1.2485	VS

Moving Ave	
1.2593	5day
1.2456	20d
1.2473	60d
1.3148	200d

Trend	
LT	Down
MT	Down
ST	Neutral

USDCHF is seen returning below 1.2670, after meeting resistance at 1.2715. A retreat towards 1.2575 is expected later on (the breach of 1.2715 would however suggest a new test of 1.2760).

USDCHF, between 1.2560 and 1.2780, remains in position to make a bullish exit. The daily indicators are on their former top, signalling some resistance (a close above 1.2740 would argue for an acceleration of the rise). The hourly ones are on resistance.

We expect resistance at 1.2715, with a return towards 1.2575.

Analyst's Strategy :

GBPUSD

Outlook neutral



Yesterday	
1.8741	Hi
1.8656	Lo
1.8673	Cl
1.8840	S
1.8790	VS
1.8750	S
1.8690	S
1.8679	Spot
1.8650	VS
1.8600	VS
1.8550	S
1.8475	VS

Moving Ave	
1.8717	5day
1.8700	20d
1.8206	60d
1.6986	200d

Trend	
LT	Up
MT	Up
ST	Neutral

GBPUSD, above 1.8650, is expected to return towards 1.8790 (short term resistance line). A rise above the latter would imply a return towards 1.8945.

GBPUSD, between 1.8790 and 1.8560, is sideways between two trend lines. The daily indicators are negative, on support level. But they remain close to signal a bearish reversal, in confirmation of the bearish divergence (sell signal). The hourly indicators are neutral, rather supportive.

The currency pair is expected to rebound towards 1.8790.

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2 March 2004 Paris 6.40 GMT

EURJPY

Outlook neutral



Yesterday

136.99 Hi
135.39 Lo
135.57 CI

136.65 VS
136.40 S
136.00 VS
135.75 VS
135.67 Spot
135.30 S
134.90 VS
134.55 S
134.10 VS

Moving Ave

136.35 5day
134.97 20d
134.06 60d
132.58 200d

Trend

LT Up
MT Neutral
ST Neutral

EURJPY, above 135.30, is seen returning towards 136.65 (however, a breach of 135.30 would suggest a new test of the bearish break point at 134.90).

EURJPY is the scapegoat of the lack of direction on the major currency pairs, with sharp oscillations. However, it remains between trend lines at 137.00 on the resistance and 135.30 as a support. The daily indicators are turning downside. A break of 135.30 would argue for return towards 134.90, as a bearish break level (with 134.10 as a target on the downside). The hourly indicators are supportive.

The currency pair is expected to hold above 135.30, rebounding towards 136.65.

Analyst's Strategy :

EURGBP

Outlook positive



Yesterday

0.6692 Hi
0.6654 Lo
0.6665 CI

0.6735 VS
0.6715 S
0.6695 VS
0.6685 S
0.6658 Spot
0.6650 VS
0.6625 VS
0.6615 S
0.6600 VS

Moving Ave

0.6681 5day
0.6753 20d
0.6891 60d
0.6960 200d

Trend

LT Up
MT Down
ST neutral

EURGBP, above the return line of its bearish channel (at 0.6625 today), is seen rebounding towards 0.6685 at first, with 0.6650 as a support.

EURGBP is still maintaining a sideways bias for now (on a short term basis), returning towards former trough at 0.6655. The return line of its bearish channel is at 0.6625. The daily indicators remain flat on their low level, arguing for some support. The hourly ones are also supportive.

The currency pair, supported by 0.6650, is seen rebounding towards 0.6685 (short term resistance line). A breach of 0.6650 would however suggest a new test of the return line at 0.6625.

Analyst's Strategy :

Long Term FX forecasts

USD Bloc	Q1 '04	Q2 '04	Q3'04	Q4'04
EUR/USD	1.33	1.35	1.28	1.35
USD/JPY	103	102	95	90
USD/CHF	1.20	1.19	1.27	1.22
GBP/USD	1.95	1.88	1.86	1.85
USD/CAD	1.26	1.22	1.24	1.18
AUD/USD	0.82	0.82	0.75	0.76
NZD/USD	0.70	0.70	0.65	0.65
USD/SEK	6.77	6.52	6.80	6.37
USD/NOK	6.77	6.59	6.56	6.15
EUR Bloc				
EUR/JPY	137	138	122	122
EUR/GBP	0.68	0.72	0.69	0.73
EUR/CHF	1.60	1.60	1.62	1.64
EUR/SEK	9.00	8.80	8.70	8.60
EUR/NOK	9.00	8.70	8.40	8.30
EUR/DKK	7.46	7.46	7.46	7.46
Central Europe				
EUR/PLN	4.90	4.75	4.65	4.70
EUR/CZK	33.00	32.50	32.00	32.50
EUR/HUF	265	260	255	260
EUR/SKK	40.00	40.50	40.00	41.00
USD/ZAR	5.90	5.55	6.60	6.45
USD/TRL	1200	1300	1550	1300
Asia Bloc				
USD/SGD	1.65	1.63	1.61	1.60
USD/MYR	3.80	3.80	3.80	3.80
USD/IDR	7900	7800	7700	7700
USD/THB	37.00	36.00	35.00	35.00
USD/PHP	54.00	53.50	53.00	53.00
USD/HKD	7.80	7.80	7.80	7.80
USD/RMB	8.28	8.28	8.28	8.28
USD/TWD	32.50	32.00	32.00	32.00
USD/KRW	1140	1130	1120	1130
USD/INR	44.50	44.00	43.50	43.50
LATAM Bloc				
USD/ARS	2.91	2.97	3.02	3.08
USD/BRL	2.88	2.90	2.93	2.95
USD/CLP	607	604	607	610
USD/MXN	10.80	11.23	11.50	11.78
USD/COP	2893	2929	2965	3001
USD/VEB	1920	1920	2300	3300

*End Quarter

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RECOMMENDATION SYSTEM

Type	Terminology	Horizon
Credit Trend (1)	Positive/ Neutral/ Negative	6 months
Relative Value (2)	Outperform/ Market Perform/ Underperform	1 month
Investment Recommendation (3)	Buy/ Hold/ Reduce/ Sell	Up to 6 months

- (1) Credit trend is based on underlying Credit fundamentals, business environment and industry trends;
 (2) Relative Value is based on expected market performance relative to sector;
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