

1 March 2004 Paris 5:59 GMT

## EURUSD

## Outlook neutral



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

| Yesterday  |         |
|------------|---------|
| 1.2501     | Hi      |
| 1.2379     | Lo      |
| 1.2494     | CI      |
| 1.2605     | VS      |
| 1.2580     | VS      |
| 1.2540     | S       |
| 1.2515     | VS      |
| 1.2510     | Spot    |
| 1.2475     | VS      |
| 1.2450     | VS      |
| 1.2415     | S       |
| 1.2380     | VS      |
| Moving Ave |         |
| 1.2529     | 5day    |
| 1.2631     | 20d     |
| 1.2543     | 60d     |
| 1.1819     | 200d    |
| Trend      |         |
| LT         | Up      |
| MT         | Up      |
| ST         | Neutral |

**EURUSD is seen testing the 38.2% retracement at 1.2580, with 1.2475 as a support, or even slightly below.**

EURUSD has done a slight rebound from the major bearish break area, at 1.2380. The currency pair retains a sideways motion for now, between 1.2380 and 1.2925. The daily indicators are on support level, but still within their negative area. The hourly indicators are supportive.

The currency pair, rebounding above 1.2475, after support at 1.2380, is seen rising towards 1.2580 (38.2% retracement), with support at 1.2475.

### Analyst's Strategy :

## USDJPY

## Outlook neutral



| Yesterday  |         |
|------------|---------|
| 109.68     | Hi      |
| 108.90     | Lo      |
| 109.98     | CI      |
| 110.60     | S       |
| 110.40     | VS      |
| 110.05     | S       |
| 109.80     | VS      |
| 109.37     | Spot    |
| 109.15     | S       |
| 108.90     | VS      |
| 108.70     | VS      |
| 108.40     | S       |
| Moving Ave |         |
| 108.86     | 5day    |
| 106.67     | 20d     |
| 106.81     | 60d     |
| 112.36     | 200d    |
| Trend      |         |
| LT         | Neutral |
| MT         | Down    |
| ST         | Up      |

**USDJPY, is seen testing resistance, towards 109.80 (short term resistance line at 110.05/15). A retreat below 109.15, towards 108.75 is still expected, as the currency pair is seen still consolidating its rise from 105.50.**

The currency pair, still attempting to extend its rise, is encountering some resistance as it approaches 110. The daily indicators remains on their high level, but the RSI is below 75. The hourly ones are neutral. We still expect some position adjustments in the next few days. The currency pair is within a consolidation pattern, (on a short term basis). Resistance towards 109.80 is expected, with 108.90 as a bearish break level.

The currency pair, capped by 109.80, is expected to return below 109.15, towards 108.70, as a key support. Above 109.80, the short terms resistance line is at 110.05/15.

### Analyst's Strategy :

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

1 March 2004 Paris 6:24 GMT

## USDCHF

Outlook neutral



|                  |             |
|------------------|-------------|
| <b>Yesterday</b> |             |
| 1.2755           | Hi          |
| 1.2611           | Lo          |
| 1.2621           | Cl          |
| 1.2790           | S           |
| 1.2760           | VS          |
| 1.2715           | S           |
| 1.2670           | S           |
| <b>1.2609</b>    | <b>Spot</b> |
| 1.2575           | VS          |
| 1.2535           | S           |
| 1.2485           | VS          |
| 1.2430           | VS          |

|                   |      |
|-------------------|------|
| <b>Moving Ave</b> |      |
| 1.2574            | 5day |
| 1.2453            | 20d  |
| 1.2473            | 60d  |
| 1.3150            | 200d |

|              |         |
|--------------|---------|
| <b>Trend</b> |         |
| LT           | Down    |
| MT           | Down    |
| ST           | Neutral |

**USDCHF, retreating after an attempt to do a bullish break, is seen evolving between 1.2670 and 1.2575, or even below, towards 1.2485 (middle of the range seen during the past two months).**

USDCHF has met strong resistance in its attempt to break 1.2740, quickly retreating on a wait and see position. The daily indicators are on their former top (a close above 1.2740 would argue for an acceleration of the rise). The hourly ones are negative, on light support.

The currency pair is seen evolving between 1.2670 and 1.2575. A return below 1.2575 would suggest a retreat towards 1.2485.

**Analyst's Strategy :**

## GBPUSD

Outlook neutral



|                  |             |
|------------------|-------------|
| <b>Yesterday</b> |             |
| 1.8676           | Hi          |
| 1.8472           | Lo          |
| 1.8670           | Cl          |
| 1.8895           | S           |
| 1.8840           | S           |
| 1.8780           | VS          |
| 1.8740           | S           |
| <b>1.8712</b>    | <b>Spot</b> |
| 1.8690           | S           |
| 1.8650           | VS          |
| 1.8600           | VS          |
| 1.8550           | S           |

|                   |      |
|-------------------|------|
| <b>Moving Ave</b> |      |
| 1.8711            | 5day |
| 1.8675            | 20d  |
| 1.8183            | 60d  |
| 1.6974            | 200d |

|              |         |
|--------------|---------|
| <b>Trend</b> |         |
| LT           | Up      |
| MT           | Up      |
| ST           | Neutral |

**GBPUSD, rebounding above 1.8660, is expected to return above 1.8780, towards 1.8840 (short term resistance line).**

GBPUSD, finding support slightly below the support line of its bullish channel, is rebounding within the range seen during the past few weeks. A return towards 1.8840 (short term resistance line), is expected, with the main support at 1.8650. The daily indicators are on their former trough. The hourly indicators are neutral.

The currency pair is expected to rebound above towards 1.8840.

**Analyst's Strategy :**

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Andrew Chaveriat

27 February New York 20:20 GMT

## USDCAD



| Today         |             |
|---------------|-------------|
| 1.3502        | Hi          |
| 1.3359        | Lo          |
| 1.3360        | Cl          |
|               |             |
| 1.3510        | VS          |
| 1.3490        | S           |
| 1.3410        | S           |
| 1.3385        | S           |
| <b>1.3360</b> | <b>Spot</b> |
| 1.3345        | S           |
| 1.3330        | S           |
| 1.3310        | VS          |
| 1.3255        | S           |
| 1.3225        | VS          |
| Moving Ave    |             |
| 1.3341        | 5day        |
| 1.3276        | 20d         |
| 1.3114        | 60d         |
| 1.3413        | 200d        |
| Trend         |             |
| LT            | Up          |
| MT            | Up          |
| ST            | Up          |

## Outlook Down to 1.3250

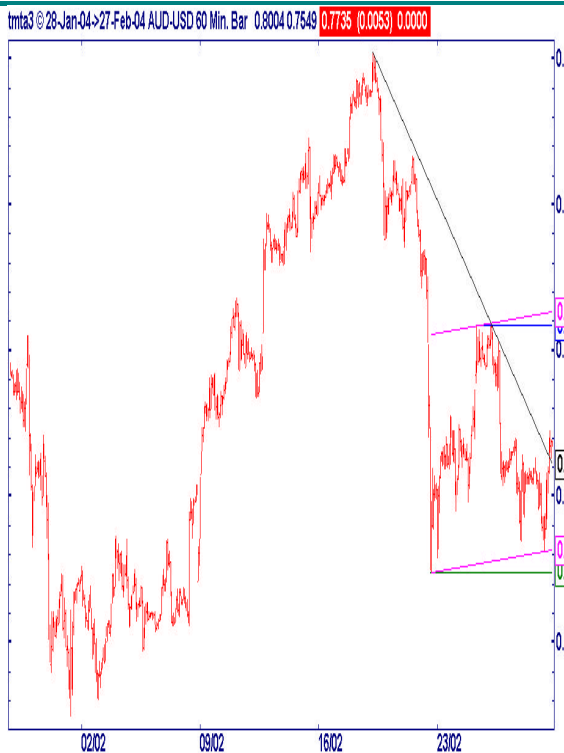
**Dual highs at 1.3510/00 cap the upside. This increases chance for 1.3250-1.35 range. Look for short-term pullback to 1.3435/10-1.3250.**

Once again USDCAD failed to overcome pivotal 1.3435 daily resistance on a NY close basis. We have not seen such a close this year meaning the Jan rally has not been confirmed. Seems a Friday effect at play: recall last Friday's rise/reversal off 1.3510.

**S/t:** USD heading lower, retracing the 5-wave 1.3255-1.3500 rise. Look for support at 1.3350-1.3310. Loss of that would open a retest of the hourly double-bottom at 1.3255/60. Good chance for a s/t re-test of the 1.3250 area or breaking it marginally. Daily swing chart support favored to hold at 1.3245 opening a 1.2350-1.35 range. Loss of 1.3245 would signal weakness opening a 38% retracement @ 1.3200 of the Jan-Feb rally. Look to buy USD on a pullback toward 1.3260, tight stop, setting up a rebound.

**M/t:** Last 2 Friday's rise to 1.3510/00 stopped at the 23.6% retracement of the 2002-04 decline. A daily close above 1.3435 would be a l/t bullish signal opening a 6-8 month rise ultimately towards 1.42.

## AUDUSD



| Today         |             |
|---------------|-------------|
| 0.7747        | Hi          |
| 0.7664        | Lo          |
| 0.7735        | Cl          |
|               |             |
| 0.7930        | VS          |
| 0.7835        | S           |
| 0.7815        | VS          |
| 0.7780        | S           |
| <b>0.7735</b> | <b>Spot</b> |
| 0.7680        | S           |
| 0.7660        | VS          |
| 0.7645        | VS          |
| 0.7605        | VS          |
| 0.7550        | VS          |
| Moving Ave    |             |
| 0.7775        | 5day        |
| 0.7760        | 20d         |
| 0.7690        | 60d         |
| 0.7645        | 200d        |
| Trend         |             |
| LT            | 0.7797      |
| MT            | 0.7762      |
| ST            | 0.7615      |

## Outlook Focus on 0.7650

**The twin lows at 0.7650-65 hammered out over the past week could have exhausted selling pressure. At any rate, see rise to top of s/t 0.7665-0.78 range.**

**S/t:** Last week's plunge unwound 80% of the Feb rally. Our 2<sup>nd</sup> scenario appears to have panned out. Today's low re-tested the Friday/Monday low at 0.7650, and look for rebounding with a good chance at forming a twin-low at 0.7650.

**M/t:** Loss of 0.7645/50 would open re-test of Feb low & key 0.7545/50 support. Last Friday's collapse generated a 2-week snap-back bearish reversal signal. That *could be the start* of a major Aussie correction but only if confirmed by a sustained break of the 0.7530/50 January lows, suggesting a major top is in place at 0.8005. The odds for this have fallen given the rebound off 0.7645. Need a rise above 0.7815 to take off downside pressure.

**L/t:** The entire Sep'01-Feb'04 rally *could be* over since it has followed a 5-wave Elliott advance. Breaking 0.7530 on a weekly close basis would imply risk down to 0.7250-0.6800 over a multi-month period, with AUD joining ZAR and maybe CAD in a Commodity Currency correction.



1 March 2004 Paris 6.50 GMT

## EURJPY

Outlook neutral



### Yesterday

136.50 Hi  
134.96 Lo  
136.16 Cl

138.10 VS  
137.60 VS  
137.40 VS  
137.05 VS  
**136.80 Spot**  
136.60 S  
136.20 VS  
136.00 VS  
135.75 VS

### Moving Ave

136.47 5day  
134.76 20d  
133.99 60d  
132.60 200d

### Trend

LT Up  
MT Neutral  
ST Neutral

EURJPY, rebounding from 135.00 (38.2% retracement), is expected to test former high again. Between 136.20 and 137.40 at first, a close above 137.60, which is expected, would signal a bullish trend resumption.

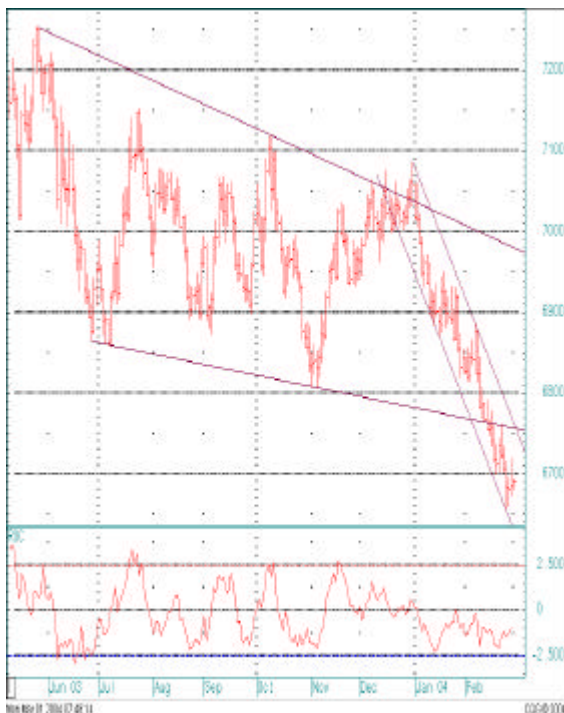
EURJPY, rebounding from the 38.2% retracement (at 135.00), is finding some resistance on the bearish break level at 137.05 (also on the former trend line). The daily indicators are supportive. The hourly ones are rising.

Above 136.20, is seen testing its former high at 137.60, a close above that level opening way for further upward pressure, towards 140. The currency pair is seen evolving between 136.20 and 137.40 at first.

**Analyst's Strategy :**

## EURGBP

Outlook positive



### Yesterday

0.6717 Hi  
0.6673 Lo  
0.6692 Cl

0.6750 VS  
0.6735 VS  
0.6715 S  
0.6695 VS  
**0.6690 Spot**  
0.6685 S  
0.6650 VS  
0.6625 S  
0.6615 VS

### Moving Ave

0.6693 5day  
0.6761 20d  
0.6898 60d  
0.6963 200d

### Trend

LT Up  
MT Down  
ST neutral

EURGBP, above the return line of its bearish channel (at 0.6630 today), is seen rebounding towards 0.6715 at first, a breach of that level implying a rise towards 0.6750.

EURGBP retains a sideways bias for now (on a short term basis), capped by 0.6715, but finding higher highs support. The return line of its bearish channel is at 0.6630. The daily indicators are flat on their low level, implying some support. The hourly ones are supportive.

The currency pair is seen rebounding towards 0.6715, a break of that level implying a return towards 0.6750.

**Analyst's Strategy :**

## Long Term FX forecasts

| <b>USD Bloc</b>       | <b>Q1 '04</b> | <b>Q2 '04</b> | <b>Q3'04</b> | <b>Q4'04</b> |
|-----------------------|---------------|---------------|--------------|--------------|
| 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         |
| <b>EUR Bloc</b>       |               |               |              |              |
| 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         |
| <b>Central Europe</b> |               |               |              |              |
| 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         |
| <b>Asia Bloc</b>      |               |               |              |              |
| 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        |
| <b>LATAM Bloc</b>     |               |               |              |              |
| 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;  
 (3) Investment Recommendation is based on BNPP Credit Trend and Relative Value opinions.

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