

10 March 2004 Paris 5:58 GMT

## EURUSD

Outlook neutral



<b>Yesterday</b>	1.2456 Hi
	1.2274 Lo
	1.2312 Cl
	1.2455 VS
	1.2390 S
	1.2335 VS
	1.2300 S
	<b>1.2313 Spot</b>
	1.2300 S
	1.2270 S
	1.2240 VS
	1.2215 S
<b>Moving Ave</b>	
	1.2296 5day
	1.2532 20d
	1.2548 60d
	1.1836 200d
<b>Trend</b>	
LT	Up
MT	Neutral
ST	Neutral

**EURUSD, failing to rise above 1.2455, is seen testing support towards 1.2270 (or even 1.2240) with 1.2335 as a reversal level, towards 1.2455 again. The bullish level is at 1.2540.**

EURUSD, unable to rebound above 1.2455, has done a retreat towards a former resistance line, below 1.2335. The currency pair remains weak, but with contradictory signals. The daily indicators are close to suggest a rebound. However the 20-day moving average is crossing over the 60-day MA, on the downside. The market is at a cross road, between 1.2240 and 1.2400. The hourly indicators are neutral. A rebound above 1.2335 would reverse the bearish bias, arguing for a return towards 1.2455.

The currency pair, capped by 1.2335, is seen testing support, towards 1.2270, or even 1.2240, with 1.2335 as a reversal point.

**Analyst's Strategy :**

## USDJPY

Outlook neutral



<b>Yesterday</b>	111.57 Hi
	110.20 Lo
	111.34 Cl
	112.35 VS
	112.00 VS
	111.65 S
	111.40 VS
	<b>111.25 Spot</b>
	111.10 VS
	110.70 S
	110.50 VS
	110.20 VS
<b>Moving Ave</b>	
	111.09 5day
	108.45 20d
	107.17 60d
	112.09 200d
<b>Trend</b>	
LT	Neutral
MT	Neutral
ST	Up

**USDJPY, after a spike towards 110.20, is seen moving below 111.10 again, to test support towards 110.50, before rebounding.**

The currency pair has done a new downside spike towards 110.20, before a quick rebound back above 111.10. The daily indicators are turning downside, but they remain in their high levels. The hourly ones are neutral.

The currency pair is seen testing 111.10 again, a retreat below that level implying a return towards 110.50, as market is expected to find its support.

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10 March 2004 Paris 6:29 GMT

## USDCHF

Outlook neutral



Yesterday	
1.2857	Hi
1.2681	Lo
1.2826	Cl
1.3030	VS
1.2960	S
1.2895	VS
1.2855	S
<b>1.2803</b>	<b>Spot</b>
1.2770	VS
1.2735	S
1.2680	VS
1.2610	S

Moving Ave	
1.2832	5day
1.2584	20d
1.2495	60d
1.3145	200d

Trend	
LT	Down
MT	Down
ST	Neutral

**USDCHF, well supported by 1.2680, has done a corrective rebound. Below 1.2895, seen as a key level, a retreat below 1.2770, towards 1.2680 is still expected.**

USDCHF, holding above 1.2680, has done a quick rebound above 1.2810. The currency pair retains a sideways bias, after last week's spike at 1.3075, evolving around the 38.2% retracement. The daily indicators are positive, retreating towards zero. The hourly ones are neutral.

The currency pair is consolidating the correction seen Friday's, with 1.2895 as a key resistance. Below that level, a return below 1.2770 would suggest a fall towards 1.2680, seen as a bearish break level. Such a scenario would be questioned with a return above 1.2895.

**Analyst's Strategy :**

## GBPUSD

Outlook neutral



Yesterday	
1.8558	Hi
1.8228	Lo
1.8253	Cl
1.8410	VS
1.8370	S
1.8320	VS
1.8285	S
<b>1.8271</b>	<b>Spot</b>
1.8205	VS
1.8160	VS
1.8120	S
1.8060	VS

Moving Ave	
1.8351	5day
1.8668	20d
1.8294	60d
1.7045	200d

Trend	
LT	Up
MT	Up
ST	Neutral

**GBPUSD, after yesterday's reversal, is seen testing support, within a descending channel. Between 1.8320 and 1.8205, a breach of the latter might lead the currency pair below 1.8160, towards 1.8060.**

GBPUSD, capped by the resistance line of a bearish channel at 1.8560, has done a quick retreat towards its former trough at 1.8160. The return line of the bearish channel is at 1.7995 (only a move below that level would suggest a trend reversal). The market might test such an event. The daily indicators remain on their lows. The hourly ones are negative.

The currency pair is seen evolving between 1.8205 and 1.8320, in test of support. A rebound above 1.8320 would reverse yesterday's bearish mood.

**Analyst's Strategy :**

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## USDCAD



Today	
1.3265	Hi
1.3179	Lo
1.3230	Cl
1.3415	S
1.3360	S
1.3310	VS
1.3270	VS
<b>1.3230</b>	<b>Spot</b>
1.3175	VS
1.3155	S
1.3140	.500
1.3100	S
1.3075	VS
Moving Ave	
1.3341	5day
1.3276	20d
1.3114	60d
1.3413	200d
Trend	
LT	Up
MT	Up
ST	Up

## Outlook Risk to 1.3135-1.3075

The decline off 1.3585 has been impulsive, but shows signs of stabilizing above 1.3150/70. Key supports at 1.3075 and 1.3030 seen holding.

USDCAD came close but failed to validate a bullish breakout last Wednesday, which required a NY daily close above 1.3435. (Had that occurred, USDCAD would have escaped resistance (on a daily close basis) from the winter triple-top at 1.3420-35 allowing further gains this spring. Also a daily close above 1.3440 would have confirmed a bullish "inverse head & shoulders" pattern targeting 1.4200.)

Instead, looking ahead, we saw a bearish weekly key reversal last Friday signaling a correction to the Jan-Feb rise. We should see a 50-62-80% retracement down towards 1.3135/1.3030/1.2880, respectively. Note the *inverse head&shoulders* pattern still has importance as it implies support near 1.3075 (where a compound right shoulder could now form). Whether or not 1.3075 support holds -- near the 62% ret at 1.3030 -- will be the key barometer to the extent of the current decline. Buy decline toward 1.3135-1.3075, preparing for m/t gains to 1.36+.

## AUDUSD



Today	
0.7657	Hi
0.7584	Lo
0.7585	Cl
0.7705	S
0.7655	VS
0.7640	S
0.7615	S
<b>0.7585</b>	<b>Spot</b>
0.7540	S
0.7520	S
0.7490	S
0.7470	S
0.7400	VS
Moving Ave	
0.7555	5day
0.7740	20d
0.7650	60d
0.7055	200d
Trend	
LT	Neutral
MT	Neutral
ST	Neutral

## Outlook Corrective rise

**S/t:** Corrective rise to the Feb-Mar plunge could be finished given loss of 1-wk up trend. Loss of 0.7540 would re-open risk to 0.74. **M/t:** Loss of key 0.7550/35 level confirmed decline to 0.7365.

**S/t:** The 2-1/2 cent rise off 0.7400 ran out of steam at key 0.7650 overlap resistance -- the break pt that triggered last week's slide.

It's possible the Feb-March 0.8005-0.7400 decline finished an ABC correction. But it can also be seen as waves 1-3 in an impulsive decline. If a major reversal is underway, it will likely stay below the 50% retrmt pt of the Feb-March fall at 0.7700. (Yet it could rise as high as 0.7770-0.7870 and still be a "bear market rally".)

**M/t:** Loss of 0.7645/50 breaks Feb low & key 0.7535/50 support. Recall the mid-Feb collapse generated a 2-week snap-back bearish reversal signal. That *could be* the start of a major Aussie correction to 0.70 and below and suggests a major top is in place at 0.8005. It calls for at least a 38-50% ret of Sep-Feb rally off 0.6340 targeting 0.7365-0.7170.

**L/t:** Entire Sep'01-Feb'04 rally *could be* finished ala 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.

10 March 2004 Paris 6.57 GMT

## EURJPY

Outlook neutral



<b>Yesterday</b>	
138.63	Hi
136.84	Lo
137.09	Cl
138.45	S
138.00	VS
137.60	VS
137.40	S
<b>137.01</b>	<b>Spot</b>
136.85	S
136.65	VS
136.40	VS
136.10	S
<b>Moving Ave</b>	
136.60	5day
135.89	20d
134.48	60d
132.47	200d
<b>Trend</b>	
LT	Up
MT	Neutral
ST	Up

EURJPY, doing a pullback on the major trend line, at 136.85, is seen rebounding towards 137.60/70 at first. A rise above the latter would argue for a return towards 139.00. Main support is at 136.65 (bearish reversal).

EURJPY, returning below 137.60, has met support on a former trend line (at 136.85). Above that level, the bias remains bullish. The daily indicators are signalling resistance. The hourly ones are supportive.

The currency pair is seen evolving between 136.65 and 137.60, in test of support at first. Below 136.65, the 50% retracement is at 135.95, also the bullish break level seen Friday's.

**Analyst's Strategy :**

## EURGBP

Outlook positive



<b>Yesterday</b>	
0.6769	Hi
0.6694	Lo
0.6747	Cl
0.6790	S
0.6780	S
0.6770	VS
0.6740	S
<b>0.6737</b>	<b>Spot</b>
0.6730	VS
0.6710	VS
0.6695	VS
0.6675	VS
<b>Moving Ave</b>	
0.6698	5day
0.6710	20d
0.6858	60d
0.6945	200d
<b>Trend</b>	
LT	Up
MT	Down
ST	Up

EURGBP, is attempting to reverse on the upside, with 0.6730 as a bullish break point. Main support is at 0.6710. Above it, the next target, on the breach of 0.6770, is at 0.6810.

EURGBP, finding some resistance around 0.6770, is doing a pullback towards bullish break level at 0.6730. The currency pair is evolving within a narrow ascending channel (main support level is at 0.6710). The daily indicators are moving upside. The hourly ones are signalling resistance.

The currency pair, above 0.6710, is seen returning towards 0.6770, before rising above the latter, towards 0.6810 as a the next target.

**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	1.25	1.30	1.28	1.35
USD/JPY	110	102	95	90
USD/CHF	1.27	1.19	1.27	1.22
GBP/USD	1.85	1.88	1.86	1.85
USD/CAD	1.32	1.22	1.24	1.18
AUD/USD	0.77	0.82	0.75	0.76
NZD/USD	0.68	0.70	0.65	0.65
USD/SEK	7.36	6.52	6.80	6.37
USD/NOK	6.96	6.59	6.56	6.15
<b>EUR Bloc</b>				
EUR/JPY	137	133	122	122
EUR/GBP	0.68	0.72	0.69	0.73
EUR/CHF	1.59	1.60	1.62	1.64
EUR/SEK	9.20	8.80	8.70	8.60
EUR/NOK	8.70	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	32.50	32.00	31.50	32.00
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	1.68	1.65	1.63	1.60
USD/MYR	3.80	3.80	3.80	3.80
USD/IDR	8500	8200	7900	7700
USD/THB	39.00	37.50	36.00	35.00
USD/PHP	56.00	55.00	54.00	53.00
USD/HKD	7.80	7.80	7.80	7.80
USD/RMB	8.28	8.28	8.28	8.28
USD/TWD	33.00	32.50	32.20	32.00
USD/KRW	1160	1150	1140	1130
USD/INR	45.00	44.50	44.00	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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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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