

[text] **EUR/GBP News and Analysis** The EUR/GBP pair fell during the course of the session on Tuesday, but as you can see found enough support below to bounce and form a hammer. This hammer of course suggests that the buyers are coming back into the marketplace, but quite frankly we feel that this market is still in a massive downtrend, so quite frankly we have no interest in buying this market right now. We feel that the Euro has far too many issues at the moment. After all, the European Union continues to look very likely to keep its monetary policy very loose. This is a market that's been in a downtrend for some time now, so it would not surprise us at all to see that continue. In fact, the real support is and until we get down to the 0.71 handle, and probably won't actually be solid until we get to the 0.70 handle, a large, round, psychologically significant number. While the British pound is a necessarily the strongest currency in the market, it's not the Euro, and that's really what matters in this particular scenario. We feel that the market should continue to be choppy, but in general this is a marketplace that tends to move in a rather choppy manner overall as the two economies are so intertwined. We believe that a lot of Europeans will continue to put money into the United Kingdom in order to protect it from home markets. We also believe that there is a significant amount of resistance near the 0.74 level, so any rally to that area that shows signs of failing is an excellent selling opportunity as far as we can see at this moment time, as the trend has been so reliable and strong for quite some time now. We believe that short-term traders will

continue to be attracted to this market as it has a nice trend, but has a lot of volatility as well. We have no interest in buying this market at all and do not see that changing anytime soon at this point.

EUR/GBP Chart



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