

[EUR/USD Forecast](#) - The EUR/USD pair initially tried to rally during the course of the day on Tuesday but found the previous uptrend line as resistive, and as a result we turn right back around to form a fairly negative candle. A break down below the bottom of candles should send this market looking for the 1.10 level, and then possibly the lows again. I believe that the Euro should continue to soften overall as there is a bit of uncertainty when it comes to the future of the European Union itself. With this, I am a seller of short-term rallies that show signs of exhaustion and of course a break down below the bottom of the range for the day on Tuesday. EUR/USD Chart



The EUR/USD continued to gain traction while forming a bear flag pattern which is generally a pause in a downward slide that refreshes. Resistance on the currency pair is seen near the 10-day moving average at 1.1150. The exchange rate was unable to push higher as European yields dropped, with 10-year yields falling to new lows, as risk aversion picks up and European stock markets head south for a second day. Support is seen near the 200-day moving average at 1.1093. Momentum appears to be changing as the MACD is poised to generate a buy signal. The Eurozone June services PMI

was revised up to 52.8 from 52.4 reported initially, but this still left the reading down from 53.3 in the previous month. This failed to buoy the currency pair. Spanish and Italian readings in particular surprised on the upside but the French services number remains stuck in contraction territory, as did the composite reading.



Source: FXEMPIRE EUR/USD Intraday: under pressure. Pivot: 1.1120  
Most Likely Scenario: short positions below 1.1120 with targets @ 1.1025 & 1.1000 in extension. Alternative scenario: above 1.1120 look for further upside with 1.1165 & 1.1185 as targets. Comment: technically the RSI is below its neutrality area at 50.



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