



**A-Venture Capital LLC**

**Weekly Technical Report from AVC Signals**

**14<sup>th</sup> March 2010**



USD JPY

The JPY posted a balanced week to the close but remained over the 90.24 resistance that had been holding the market in place for the bears. Divergence has been closed to the 200 day average and this too is an important factor to the market. The topside is still open to the 91.92 level and the next major Gann level and it would be here that the market would struggle to make ground. Whilst this is still a possible topside objective to the market it is still a case that the market is in a secular bear market and the downside can return with strength and longs should bear this in mind.

We would be looking at selling into strength with this market as the topside does appear to be contained above at the 91.92 level and the 91.12 level adding further deep resistance. As such we would be looking to sell into strength in this market up to these levels. It will be important for the bears to remove the key Gann resistance that exists at 90.24 and this will again reopen the downside ability for the market.

We would see 90.69 providing good resistance above and this should be able to hold the topside in the market. The bears do need to move this market back below the 90.24 level though to gain the traction to their position. Once removed the downside again reopens to the next major support at 89.37 to 89.04. This should be a strong support for the market and allow the market to consolidate the recent highs and build the structure for the longer term bear.

Long Term Trend	Bearish with upside potential still to 91.92 and next resistance at 90.69.
Short Term Trend	Bearish with a neutral close. Topside still open but divergence closure should help the market make a top this week. Downside is very open.



GBPUSD

The market again attempted the downside but managed to return to neutral for the weekly close. The outlook still remains negative but the market is looking correctional to the bear with potential to see a retest of the bear break at 1.5840. However, that would be an extreme move and one that probably will not appear. The reality is that Sterling is under pressure for a number of reasons but the general weakness in the US Dollar helped the market to stage the recovery back to the neutral level for the week. This said there is still scope for the market to make further topside ground to the 1.5374 level where the next major resistance lies for the market. Given that this is the second attempt at the low and the market rejected it, it is probable that the

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week should be able to start with a Sterling positive attitude. The longer term outlook is still negative and it would be very likely that Sterling is performing a correctional move to the bear and as such it is unlikely to be able to sustain in the longer term. We would be looking to be a seller to strength in sterling particular back to the 1.5374 level but with the knowledge that a correction as high as 1.5583 is possible. The market closed the week with a strong daily close and this should be able to help the bulls gain some momentum to the topside. Ultimately, the market is a secular bear market and as such the bear can return with some strength though this should only appear after another rally has been attempted.

We would be looking for the early week to be strong and a failure coming toward the end of the week as the market achieves the removal of the oversold condition. The market has been trading to close on the major Gann support and has so far been able to sustain this position with a close at or near the 1.52 level. A weekly close below 1.4940 would be a very negative position for sterling. It is important to realise that we have the UK budget on Wednesday and it will be important for the market to see how the current government intends to tackle the deficit in particular. This could be the trigger for the market to again reopen the bear market but as we have said it is a question of when the market will finish the corrections rather than if they finish. Until the budget we would expect that the market should be able to open the topside but we would view this as a good chance to be able to enter fresh bear positions at higher levels. Gann resistance is at 1.5308 and if removed to a close would open the Gann resistance at 1.5572 to be achieved. Taken that we believe that this is a bear market and that divergence is currently stretched we would expect to see the market try and close the cycle averages of 22 and 44 which we would expect to be achieved at around the 1.5375 level. This should technically be able to hold the topside for the market but it will be a case that fresh bears should start to be entered around here with the view that a removal of the 1.5412 level should open the market to 1.5572 where we would start to enter structural shorts to this market.

Bears are advised that they should be cautious of this market in the current patterning but be prepared to look for the new entry levels above to gain good selling advantage. We would be cautious of Bull positions because this market is a structural bear market it is a case that the topside could be achieved quickly and turn bearish again quickly. For the moment bulls can enter to weakness but always be cautious of the 1.4949 level which if removed would reopen the entire bear position. For the moment we would be looking for a good buying opportunity at 1.5075 where the current rally could place a correction toward.

Long Term Trend	Bearish with upside potential still available to 1.5480
Short Term Trend	Neutral to bullish support at 1.5075. The topside has major resistance at 1.5374 and 1.5480. Buyer to weakness but aware that a failure of the 1.4949 level reopens the bear. Correctional market looking for 1.5480 to retest the break downs.



**EURUSD**

The Market remains correctional to the topside and the three weeks of inside day lows have strengthened the bull in this market. We would still expect that the bull can continue and retest the break down at the 1.4020



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level which triggered the current bear run. We do remain of the view that the market's bottoms are solid and as such it will take a further crisis to undermine the Euro from current levels. If the market is able to remove the 1.4020 level then we would expect that the market has the ability to further drive the topside and rediscover the 1.4320 level where the market gained the initial sell off from.

The market based at exactly the point of the previous bull acceleration and this in itself should be a warning for the bears in the market. So long as the 1.3489 level is holding to closes then the bulls remain in control of this market. As such we would be buyers to dips in this market and looking for the market to achieve the 1.4020 as an initial goal and probably higher than this if the market can make a clean removal of the 1.4020 level.

This market favours the bull but it is a case that the major supports at 1.3730 needs to be maintained if the market is not going to seek a further downside test to the 1.3636 level.

Long Term Trend	Bullish with potential to trade to the 1.4020 resistance. Multi weekly closes indicate a base has been formed and a bull run is likely.
Short Term Trend	Bullish and should trade toward the 1.4020 level and potentially 1.4226. Bears should be out and look to join the break above 1.3790. Buy dips to 1.3735.



### USD CHF

The CHF had the same weekly patterning as the Euro but established for one week longer. The move in the CHF to the 1.0578 level was much as expected and given the move in the market it is likely that we will continue the bear trend further. We are looking at the market to trade down to the 1.0370 level where the base of the last Bull Run occurred. This should be able to stop the bears in the short term and it is their target to remove this level if they are to be able to retest the major supports at the 1.0141 level. We believe that these levels should be challenged and given the strength of the CHF on the Friday close signals continuation of the market on the bear track. We would be expecting that the market should be able to see supports at 1.0396 tested and it will be important for the bears to remove these if we are to progress to the 1.0140 level where the bulls should be most active in their defence of the market.

It is important for the bears to get through these two critical levels or we could find that the market starts to place a bottom and again ask for the upside to be tested. As such we would suggest that bears look to remove their shorts from the 1.0370 level and move toward a neutral position. The bears can re-emerge if the 1.0040 level is taken and broken to a daily close. Whilst this is possible it is a case that this market is correctional to the current bull trend and it has not yet signalled a refusal to terminate that trend. Divergence has been closed to the bull and this is going to be a critical issue for the bulls here. They need to place a bottoming patterning around the 1.0490 level if they can breathe a sigh of relief. If it is a case that the market fails here then the bull's will have to run from the field as the market could have finished what has always been a correction to the longer term bear market. As such we would suggest that bulls exit the market if the 1.0370 level is taken to a close as it would press them very hard if this level were taken.

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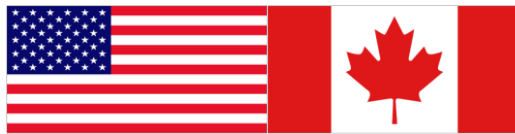
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Long Term Trend	Bearish, now testing the downside supports. We expect that the 1.0370 level will be a critical battle for the market. Failure here reconfirms the longer term bear.
Short Term Trend	Bearish continuation expected for the week ahead. Target is 1.0370 and the downside must be held here or the 1.0040 level should be test and it would confirm the bear market if removed. We remain short and looking for the market to reconfirm the bear trend.



### USD CAD

This market has removed the 1.0240 supports and has now placed the market back into the 1.0306 to 0.9857 trading range that existed between November 2007 and September 2008. This is a critical support for the market and as such the bears will either enter the range and we will proceed to long term range trading or it will wash through this level quickly. Given that this has come off a bear break then the downside could well be removed in a clean move and this would signal that the market will retest the 0.9057 lows from 2007.

We remain with the view that the market should trade down to the 0.9857 level and as such the bears remain in control. The bears should cover coming toward the 0.9857 level as this does have the potential to form a base. If the market does remove this level we would expect that the downside should become accelerated and the bulls could run fast. Bulls can only feel comfortable if they can remove the 1.0596 level which is going to be a very tough challenge. We would remain with our view that this is a bear market and one that does look like it should expand the 2007 lows going forward.

We would look to cover shorts against the major support and re-enter shorts to a close below the 0.9857 level. The bulls should exit the market totally if the 0.9857 level falls to a close.

This is a secular bear market year for the CAD and as such it would be possible that we could see a very serious downside extension. Bulls are under pressure. Sell into strength if it appears back to the 1.0306 level.

Long Term Trend	Bearish on target to test the 0.9857 level. Sell strength back to the 1.0306 level
Short Term Trend	Bearish with continuation bear signalling. Downside is indicated to 0.9857 sell into strength back to the 1.0306 level.



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USD AUD

Market is still indicating a potential bull flag patterning which indicates that if taken then the previous highs would fall quickly. We remain bullish but look to exit longs at the 0.9253 level as it is possible that this market may reject the topside against 0.9365. This is a real risk as the market has placed three tight inside days of trading. We would prefer to buy the break out at 0.9410 as this would signal a bullish bull flag break out that will remove the previous highs. Given the price action tightening it is a case that the market is debating this level and whether to terminate the bull here. This is possible but it can be a case that the market is preparing for a topside acceleration. Given this bulls are advised to book profits and the bears to run a stop above 0.9410 to protect against an accelerated move.

The market has come a long way from the lows and the dangers of a sharp downside move are very real especially if the topside is held. That correction could extend 10 big figures. As such the risk reward is currently in the favour of the bear with a clear exit point at 0.9410. Thus we would be exiting the long side and be selling strength toward the 0.9270 level. Stops should be run at 0.9410 to protect against a fast accelerated break out and these stops should be cut and reverse.

Long Term Trend	Bullish and closing against major resistance. Needs to remove the 0.9410 level to place the near parity levels back in the markets sights. The market is making a bull flag which is positive for the longer term
Short Term Trend	Struggling against the highs and the potential bull flag. The bears must exit if the market removes the 0.9410 level. We would be a seller toward the 0.9270 level with a cut reverse stop above at 0.9410. Could be a potential top with a large downside correction to follow. Risk reward currently favours bears above this level.



GBP JPY

The GBPJPY pushed the topside and moved through the 137.27 level which signalled that the correctional market continues. We do however believe that this market is a correctional market in a long term bear market and as such the speed of rallies can be strong but likely to fade very quickly. We closed against a major Gann resistance and there is a significant cross date on Wednesday where the bulls must drive the market over the 139.70 level if they can claim a victory. We believe that the market has the potential to recover to the 138.30

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level where it will be important that this level is taken to a close to help the market push for the Gann cross point. The two major Gann lines that have contained the topside remain at 137.70 and 138.30 and it is these that will cause the bulls the most issues. We would be a seller to the strength if the market does press to these levels as both should cause bear corrections when they are traded. We believe that the market is under pressure in the longer term as the 61.8 fib retracement was removed and as such a 100% correction to the early 2008 lows are possible and probably beyond.

It is a case that one needs to be able to build strategic shorts from about the 138.30 level with the knowledge that 140 may be traded to the high if the bear squeeze gains some momentum. We are looking at finding the bear entry in this market but playing it for small 50 to 75 pip runs while we work toward the levels where it will be most prudent to place shorts.

The bulls need to capture the topside levels if they are going to be able to open up the 140 level to be tested. At the moment the bulls are in control but it is a very doubtful control. We expect early pricing action to be on the bull side of the equation but we would only play these for a short term trade. Bulls we believe are likely to fade around the 138.30 level to 139.70 where the correction should slow.

Long Term Trend	Bearish with correction to the 138 to 140 level. Sell into strength
Short Term Trend	Bearish but correctional. Sell strength at 138.30 and play for short term moves of 50 to 75 pips. Patterning is suggesting that the upside is becoming extended.



### EUR JPY

EURJPY is better positioned than GBPJPY and as such longs are easier in this market. We see the last week's pricing action as bullish and potentially able to make a topside break out which needs the market to remove the 125.21 level to a close to open the market to a potential rally to the 128.55 level which marks the break down in the market. This market has major resistance at 126.31 where we would expect the next high to be made and strong resistance anticipated. This is where we would close long side positions and place a bear position with a stop at the 127.08 level as only a trade here would press the topside to offer all of the 128.55 anticipated high. However, we would expect that there should be a strong correction off the 126.31 level back to the 125.00 area. Those looking for a Short side Yen play would not do better than using this market to achieve their ambitions.

Important note: this market is in a secular bear market and the correctional moves could come quickly and it is important not to get caught long of this market particularly as it closes to the 128.55 level.

Long Term Trend	Bearish correctional at the moment with potential to 126.31 and the next serious resistance. We would be a seller at this level with a 127.08 stop as a removal of this level will open 128.55.
Short Term Trend	Bearish we expect the bear squeeze to continue but would be sellers to the market at 126.21. Looking to place structural shorts higher.



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EUR GBP

The Market again attempted to make a negative weekly close but in reality it has strengthened the bulls had in the overall trend. The turn signal of last week failed to provide any real downside traction and the important 0.8936 level remained in play and left the bears scrambling for cover. The market is naturally finding the 0.9147 difficult to remove as it has been a strong barrier to the market. It is however an important level for the bulls to be able to remove if they are to push the market on to the 0.9339 level which is going to be a critical test for the market. We remain with the view that the holding of the 0.8526 level was a very critical position for the market to have made and it does now suggest that the topside has not been fully explored and that there are plenty of stale bears below the market.

We believe that this market has the potential to again surprise to the topside and a removal of 0.9147 to a close would open the topside of this market aggressively. We remain on the long side of the market but looking to exit if the 0.8887 level were taken to a close. The bears need to step up in this market and start to remove the key supports at 0.8936 and 0.8887 if they are to gain any traction. We would be buyers to weakness with a 0.8887 stop below.

Long Term Trend	Bullish only goes cautious if 0.8887 is taken.
Short Term Trend	Bullish with a potential for bear price action. We would be a buyer to dips. Stop at 0.8887. If 0.9147 is taken to a close get long for a drive to 0.9337.

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