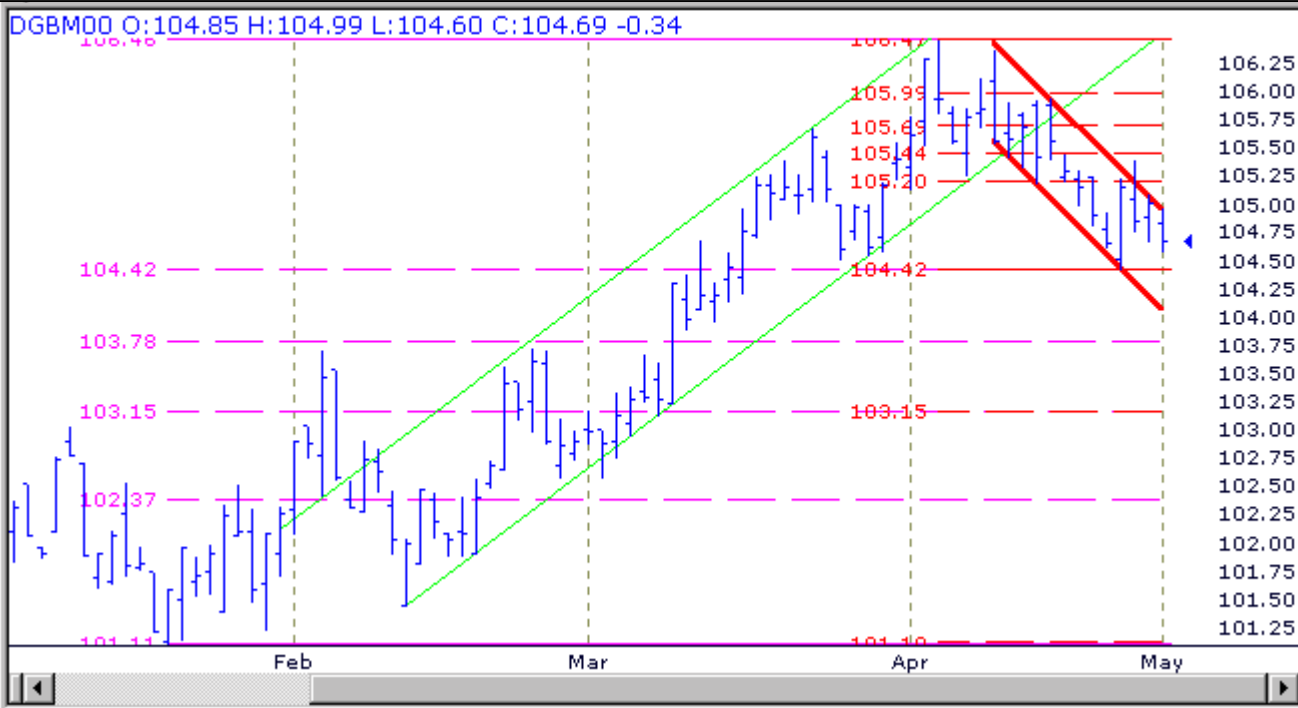


Bund & Bobl

Daily Technical Analysis: 3rd May 2000

Bund Chart: © Futuresource



Trend:

Bearish below
105.00

Levels:

R5	105.69
R4	105.42-45
R3	105.20
R2	105.00
R1	104.82
S1	104.60-62
S2	104.42-43
S3	104.25
S4	103.94
S5	103.78

Comment:

Yesterday :

Another pre 8am (London time) extreme yesterday with the high being set at 104.99 in the first hour before a failure down to 104.60 by mid session. 104.80 was the high in the afternoon, 104.62 was the low, and the market closed at 104.69.

Today :

Now here's a juicy level. A quick look at the summary above, or a short term (say 10 minute) chart, gives us a level of 104.81 where support was seen for a short time Yesterday, but when it broke, the same level turned out to be the high for the rest of the session. Over a period of three hours in the morning, and again in the early afternoon, the market could not get above here. How does that make it so "juicy" then, I hear you ask ? Well, lets think for a minute about the values provided by the downtrend channel that has been taking shape of late: 105.08 on Friday (high was 105.11), 104.95 yesterday (high was 104.99), **104.82 Today...**



📊 Bund comment (cont'd)

The longer this channel supplies us with the high of the day, the stronger the top line becomes, and if much of the work is seen below 104.82 in the morning session today, as it was for the bulk of yesterday, the bigger the chances are that a test of 104.42 will be seen. This is the key support, being the Fibonacci level (38.2% of this year's range) that held last week (last Wednesday's low for the week was 104.43).

I've bored you with this level for several day's now, and the technical picture still points towards a stop driven push if it were to break down to the channel bottom, which is now at 103.94, and the next big Fibonacci level, at 103.78.

Range players could be tempted to go long ahead of 104.42, but the safer directional play would be selling strength, with 104.81-2 a good level, and 105.00 proving to have too much psychology yesterday, stops above here would still probably run out of steam approaching 104.20, which is 38.2% of 106.47 to 104.43. Only above 105.44 would the channel top break being getting the sort of confirmation needed to adopt a Bullish skew.

Just going off at another angle, since the technical levels in the Bund are not changing hugely from day to day, the chart below is the Sep-Dec Euribor Spread (daily close), and shows this spread approaching a crucial area of resistance around 27.5 to 28, after having "hit bottom" at 21.5 and 22 twice now. With the market hitting this previous level as well as breaking the top of the recent downtrend line, technicals point towards another look at 38.5 to 39 if 28 breaks...

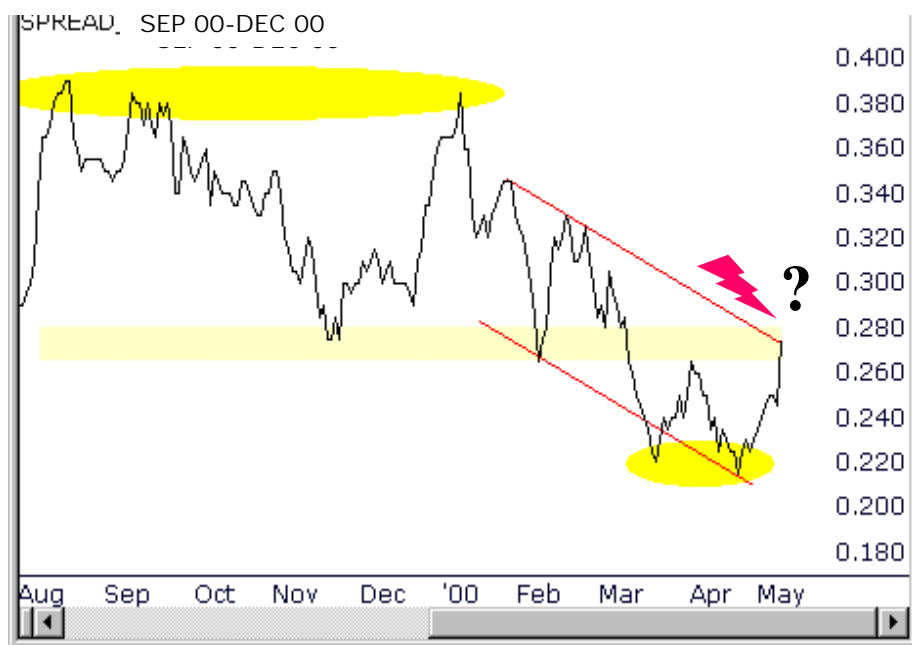
📊 Bobl Trend:

Bearish below
103.14.

📊 Bobl Levels:

R4	103.25
R3	103.14
R2	103.10
R1	103.01
S1	102.93
S2	102.85
S3	102.70
S4	102.44

📊 Sep-Dec Euribor Chart: © Futuresource



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