

FX Emerging Markets Weekly Technicals

Monday, 29 July 2013

Technical Outlook

<p>1 Technical Analysis Banks Commerzbank</p> <p>Source: Euromoney FX Poll 2012</p> <p>2012 </p>	<p>2 FICC Technical Analysis Research Team Best FX Research and Strategy Commerzbank</p> <p>Source: The Technical Analyst Magazine Awards 2012</p> <p>2012 </p>	<p>2 FICC Technical Analysis Research Team – Best FX Research and Strategy Commerzbank</p> <p>Source: Technical Analyst Magazine Awards 2013</p> <p>2013 </p>	<p>2 Technical Analysis Commerzbank</p> <p>Source: Euromoney FX Survey 2013</p> <p>2013 </p>
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Technical Outlook

Rouble basket is well placed to challenge inter year highs

Market	Short term view (1-3 weeks)
EUR/PLN:	Correction lower has terminated at the 4.1990 Fibo support
EUR/HUF:	Well placed to erode its 5 month resistance line at 298.06
EUR/CZK:	Converging range near term, but medium term still targets the 26.13/195 resistance zone which it may well overshoot
USD/BRL:	Market continues to struggle at 2.2802
USD/MXN:	Rebound viewed as corrective and likely to terminate 12.75/85
USD/TRY:	Market has sold off to its 55 day ma at 1.8985 and is recovering
USD/ZAR:	Sold off to and based ahead of the 38.2% retracement at 9.60.
Rouble Basket:	Reversal ahead of the 55 day ma keeps upside pressure maintained on the 37.89 recent high

EUR/PLN - Daily Chart

Correction lower has terminated at the 4.1990 Fibo support

- › The correction lower in EUR/PLN has terminated as expected at the 61.8% retracement at 4.1990. Rallies will need to regain the 4.2607 55 day ma in order to re-focus attention to 4.3273 the 6 the July high then the 4.4125/4.4315 resistance area, made up of the 2009-13 resistance line and the May 2012 peak. En route lies the June high at 4.3708 which first needs to get exceeded, however.
- › The currency pair's advance is likely to run out of steam in the 4.4147/4.4315 resistance area. Should it be bettered, the 4.5334 September 2011 high and also the 2011 peak at 4.5993 will be back in the picture
- › Below 4.1990 would introduce scope to re-test the 4.1537/4.1477 55 week moving average and the 2008-2013 uptrend, which is expected to hold.

EUR/PLN Daily Chart



Support	Resistance	1-Week View	1-Month View
4.2143	4.2735+4.2910	➔	➔
4.1990	4.3273&4.3474		

EUR/PLN - Weekly Chart

Still targets the 4.4102/4.4315 resistance area around which it should stall

EUR/PLN Weekly Chart



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EUR/HUF - Daily Chart

Well placed to erode its 5 month resistance line at 298.06

- › EUR/HUF has inched higher and starts this week well placed to take out the five month resistance line at 298.06. This will see a move to the June peak at 301.44, between here and the 302.56 late April high EUR/HUF may struggle, though.
- › Dips lower should remain well supported by the 55 day ma at 294.12. Longer term we look for the 304.35 2012-2013 resistance line to be reached
- › We will retain our medium term bullish forecast while the currency pair stays above the 285.62 May low.
- › We are still long at 289 and would raise the stop to 294.00, target is 304 and above in the weeks to come.

EUR/HUF Daily Chart



Support	Resistance	1-Week View	1-Month View
294.17&293.93	298.06	➔	➔
292.47&289.62	301.04&302.56		

EUR/HUF - Weekly Chart

Inching higher in range

EUR/HUF Weekly Chart



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EUR/CZK - Daily Chart

Converging range near term, but medium term still targets the 26.13/197 resistance zone which it may well overshoot

- › EUR/CZK has pretty much consolidated sideways all week. The market failed to make headway beyond 26.04 and remained sidelined. While the recent low at 25.76 underpins on a daily chart closing basis, the 2011 and June 2013 peaks at 26.13/14 will be targeted, along with the May high at 26.19.
- › Should the 2012-13 channel resistance line at 26.197 be bettered, the 26.295 May 2010 peak will be back in focus.
- › We will stay immediately bullish while the currency pair remains above the 25.76 June 25 low on a daily chart closing basis.
- › Our medium term bullish forecast will stay intact as long as EUR/CZK trades above the 25.475 June low.
- › Unexpected failure at 25.475 on a daily closing basis would neutralise our medium term bullish view, however, and lead to the March low at 25.38 being targeted instead.

EUR/CZK Daily Chart



Support	Resistance	1-Week View	1-Month View
25.80&25.76	26.04	➔	➔
25.60	26.13/197		

EUR/CZK - Weekly Chart

Is expected to soon retest the 26.13/197 resistance area

EUR/CZK Weekly Chart



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USD/BRL - Daily Chart

Market continues to struggle at 2.2802.

- › USD/BRL's new high of 2.2802 has been accompanied by a large triple divergence of the daily RSI. We note the TD perfected set up on the weekly chart (and the divergence of the weekly RSI). All factors point to an interim top for the market. While we are unable to rule out re-tests of the 2.2760/2.2850 region, we look for these to now hold. Odd price action but we suspect it is topping.
- › Below 2.20 should trigger a correction lower to the 2.1510/2.1419 band, which represents the December 2012 high and the 38.2% retracement, where we should see stabilisation.
- › Should 2.2802/50 be breached further resistance can be seen around the minor psychological 2.3000 level, around the 61.8% Fibonacci extension at 2.3233 and then around the 2.5000 mark which we have in view for the end of the year.
- › We will retain our medium term bullish view while the currency pair remains above the 2.0925 June low.
- › Strong support above this level can be seen around the 2.1772 late June low.

USD/BRL Daily Chart

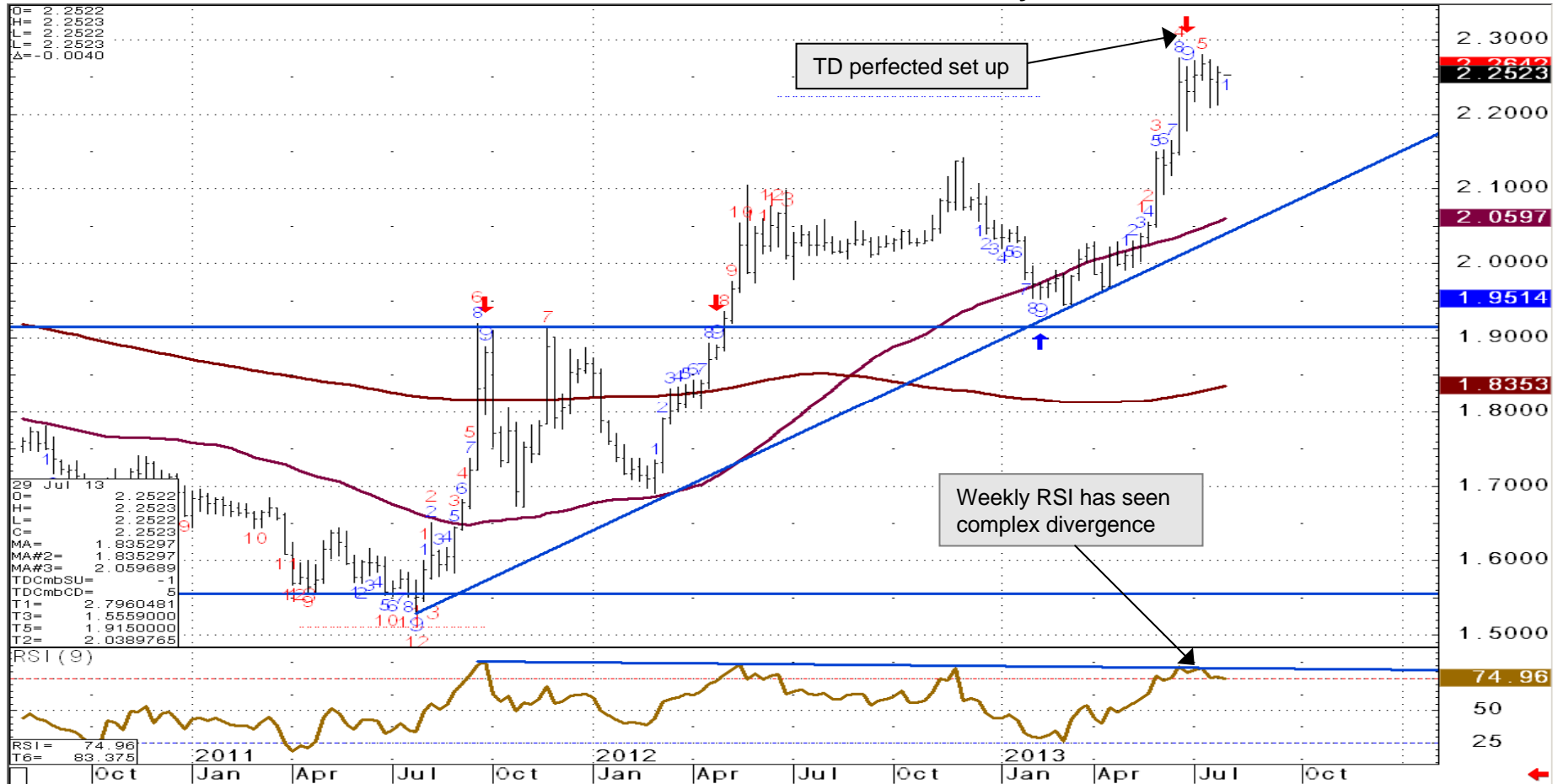


Support	Resistance	1-Week View	1-Month View
2.2196&2.20	2.2802&2.3000	➔	➔
2.1772&2.1647	2.3222&2.5000		

USD/BRL - Weekly Chart

TD perfected set up points to a possible correction lower

USD/BRL Weekly Chart



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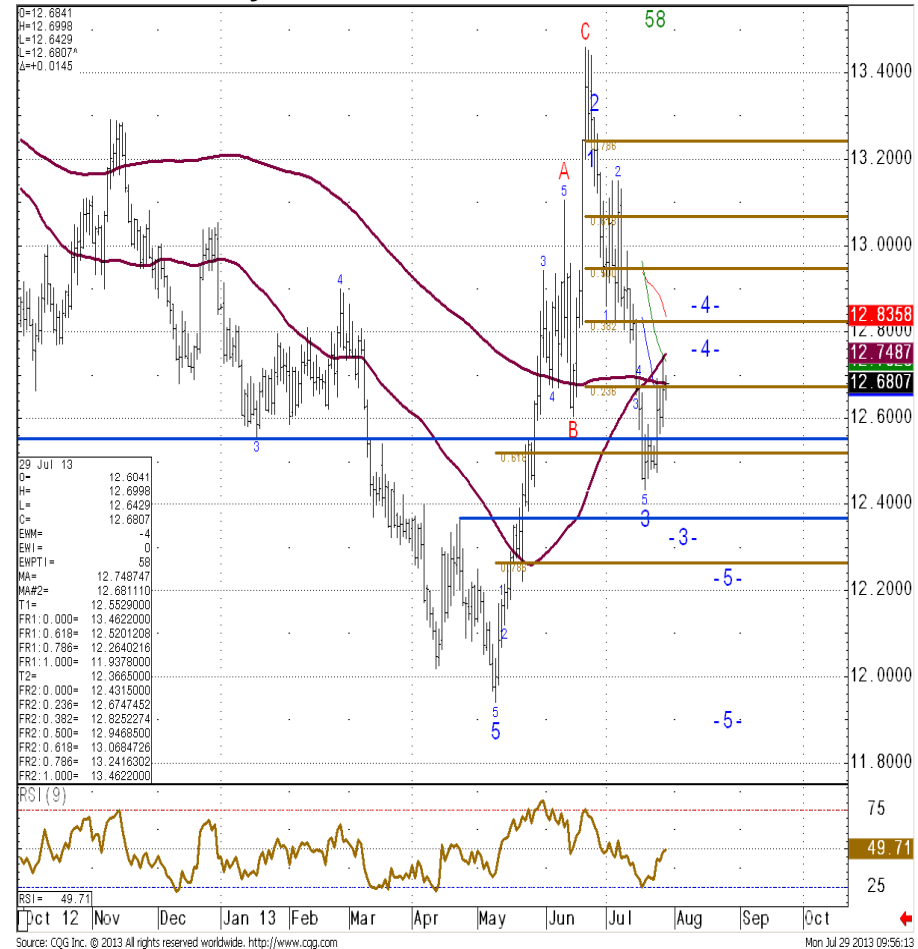
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USD/MXN - Daily Chart

Rebound viewed as corrective and likely to terminate 12.75/85

- USD/MXN is correcting higher near term. The Elliot wave count implies that the rebound should terminate in the 12.75/85 band.
- The market has recently eroded key support offered by the 12.5552/16 region, made up of the March 2012 and January 2013 lows. Given the speed and extent of that sell off we are going to have to assume that the market is back under pressure.
- Near term rallies are likely to struggle 12.75/85 and should now be contained by the 12.9470 50% retracement of this sell off.
- While capped by 12.9470 we will assume a downside bias and allow for losses to the 12.2640/78.6% retracement of the move up from May – this is regarded to be the last defence for the May low at 11.9378.

USD/MXN Daily Chart



Support	Resistance	1-Week View	1-Month View
12.4315	12.75/85	➔	➔
12.3665&12.26	12.9470		

USD/MXN - Weekly Chart

Key support eroded - negative

USD/MXN Weekly Chart



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Mon Jul 29 2013 10:01:42

USD/TRY - Daily Chart

Market has sold off to its 55 day ma at 1.8985 and is recovering

- › USD/TRY has sold off to and recovered just ahead of the 55 day ma at 1.8985, we suspect that the move lower was an 'a-b-c' correction lower and we should now see recovery.
- › While it holds, the 2009-13 resistance line at 1.9777 is back in view, followed by the psychological 2.0000 level.
- › We would expect to see the market under pinned by the 55 day ma and the 1.8863/38.2% retracement.
- › Below here would allow for a deeper retracement to its June low at 1.8503 and potentially the 1.8326/08 pivotal support and 61.8% retracement.

USD/TRY Daily Chart



Support	Resistance	1-Week View	1-Month View
1.8985&1.8863	1.9662	➔	➔
1.8503	1.9734/64		

USD/TRY - Weekly Chart

Is being capped by the long term resistance line at 1.9777

USD/TRY Weekly Chart



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USD/ZAR - Daily Chart

Sold off to and based ahead of the 38.2% retracement at 9.60.

- › USD/ZAR has broken down from its range and eroded the 9.66 June low to sell off to the 9.60/38.2% retracement, where it has based. This has held the initial test and we would allow for a good rebound off this support. We suspect the rally will struggle at 9.96/10.00 and the market will need to regain this zone for the June high at 10.3610 to be back in focus.
- › Were it to be bettered, the 10.6956/10.7900 region, would be targeted. It is made up of the 2009 peak, 78.6% Fibonacci retracement of the 2008-11 decline and the November 2008 high. In case of it being bettered, the 2008 peak at 11.8708 will be back in the picture as well.
- › We suspect that the market has based at 9.60 – failure here would trigger losses to 9.3673/9.3735, the March high and the 50% retracement of the move seen this year, where we would expect to see some stabilisation.

USD/ZAR Daily Chart



Support	Resistance	1-Week View	1-Month View
9.6621+9.60	9.96/10.00	➔	➔
9.3673+9.3735	10.3250/3610		

USD/ZAR - Weekly Chart

Consolidation is ongoing but it still eyes the 10.6956/10.7900 target area

USD/ZAR Weekly Chart



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Rouble Basket - Daily Chart

Reversal ahead of the 55 day ma keeps upside pressure maintained on the 37.89 recent high

- › The reversal ahead of the 55 day ma at 36.75 is positive. The break higher from a bullish consolidation pattern is also positive – not only is the market well placed to resume its up move but it is also well placed to overcome the 37.8916 recent peak.
- › We are somewhat cautious – the market has failed since 2011 to sustain a move beyond 37.50. Nonetheless it does appear to be well placed to attempt the topside and above 37.89 we have the 38.09 2011-2013 resistance line and the 39.01 July 2009 peak.
- › As long as no daily chart close below the 36.23 mid-June low is being seen, medium term upside pressure should be maintained.

Rouble Basket Daily Chart



Support	Resistance	1-Week View	1-Month View
36.79/36.75	37.89+38.09	➔	➔
36.45&36.33/23	39.01		

Rouble Basket - Weekly Chart

2011-2013 resistance line at 38.09

Rouble Basket Weekly Chart



Technical Analysis Research **COMMERZBANK**

Daily Market Technicals
FX Outlook



For important disclosure information please see pages 14 and 15.

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Technical Analysis Research **COMMERZBANK**

Strategic Technical Themes
Weekly Outlook and Technical Highlights



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FX Emerging Markets Weekly Technicals
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Bullion Weekly Technicals
Technical Outlook

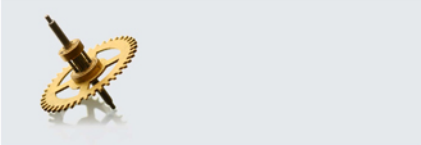


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Commodity Currencies Weekly Technicals
Technical Outlook



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Commodity Weekly Technicals
Technical Outlook




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Asian Currencies Weekly Technicals
Technical Outlook



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Fixed Income Weekly Technicals
Technical Outlook



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- Thursday:** Daily Market Technicals (FX), Asian Currencies Weekly Technicals, FX Strategy;
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