

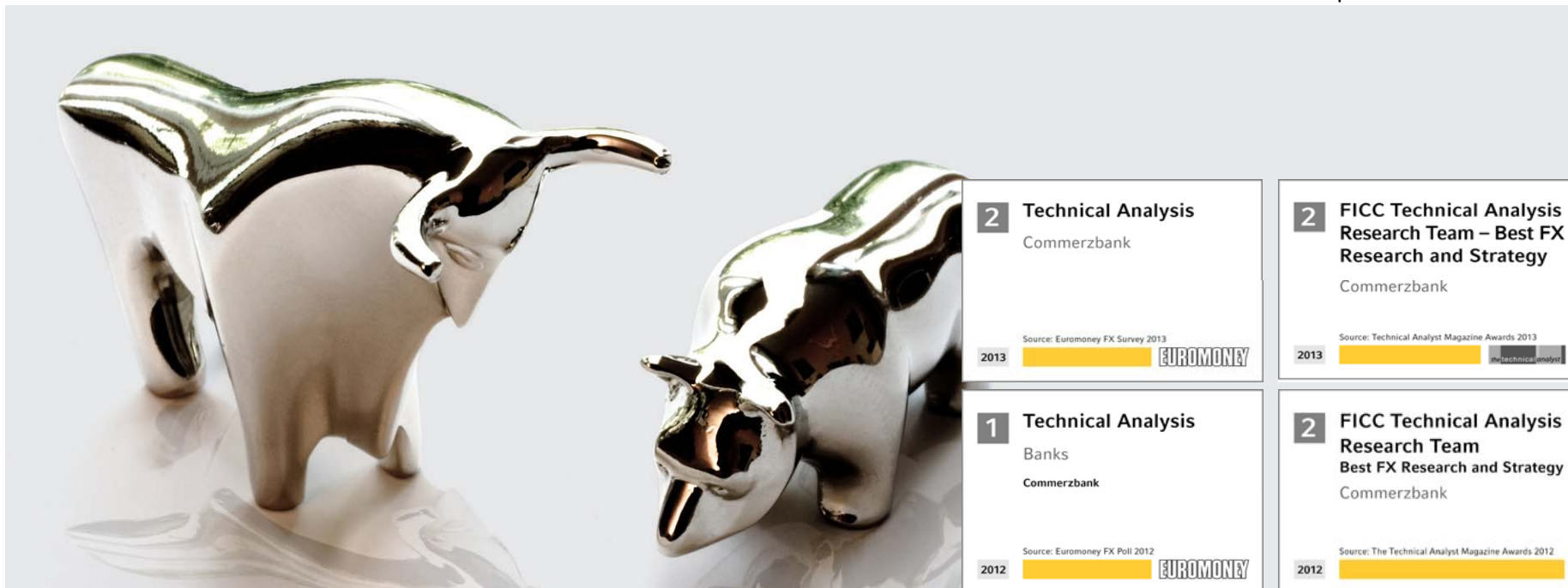
# Chart Watch – FX Markets

Thursday, 25 July 2013

## Outlook and Technical Highlights

**Karen Jones**  
+44 207 475 1425  
Karen.jones@commerzbank.com

**Axel Rudolph**  
+44 207 475 5721  
axel.rudolph@commerzbank.com



For important disclosure information please see end of document

# FX Technical Outlook

Theme	Short term view (1–3 weeks)
GBP/USD expected to weaken	Looking for GBP/USD to fail at its 61.8% retracement
Looking for failure shortly for AUD	<p>AUD/USD charted an outside day to the downside and attention has reverted to support.</p> <p>AUD/NZD is collapsing lower.</p> <p>AUD/CAD continues to remain capped by its 3 month downtrend at .9598</p>
South African Rand strength evident	<p>USD/ZAR has held initial test of 9.60= 38.2% retracement, but bounce is likely to struggle 9.96/10.00 for further weakness</p> <p>TRY/ZAR has eroded its 2012-2013 uptrend</p>
Selective weakness in some emerging currencies	<p>USD/SGD - Stabilisation being seen above the 50% retracement at 1.2568 is encouraging</p> <p>USD/IDR one month NDF - Well placed to challenge and overcome the 10566 peak</p> <p>USD/MYR – one month NDF - Bullish consolidation implies market is well placed to take out the June peak at 3.2305.</p>
One to watch - EUR/TRL	Tight consolidation 2.4834/2.56, looks like a potential bullish triangle, completes on a close above 2.56

## Bullish and bearish trending signals

### Bullish (ADX>20, MACD>0 and +DI>-DI)

Long Name	C1	C2	C3	C4
PLATINUM SPOT S/OZ	✓	✓	✓	✓
Generic 1st 'JB' Future	✓	✓	✓	✓
10YR MINI JGB FUT Jun13	✓	✓	✓	✓
AMEX GOLD BUGS INDEX	✓	✓	✓	✓
CAD-JPY X-RATE	✓	✓	✓	✓
USDIDR Spot Exchange Rate - Price of 1 USD in IDR	✓	✓	✓	✓
EUR-AUD X-RATE	✓	✓	✓	✓
LME COPPER 3MO (\$)	✓	✓	✓	✓
LME NICKEL 3MO (\$)	✓	✓	✓	✓
GBP-JPY X-RATE	✓	✓	✓	✓
EURO SPOT	✓	✓	✓	✓
CHF-JPY X-RATE	✓	✓	✓	✓
EUR-JPY X-RATE	✓	✓	✓	✓
USD SWAP SEMI 30/360 10Y	✓	✓	✓	✓

### Bearish (ADX>20, MACD<0 and +DI<-DI)

Long Name	C1	C2	C3	C4
USDCZK Spot Exchange Rate - Price of 1 USD in CZK	✓	✓	✓	✓
USDPLN Spot Exchange Rate - Price of 1 USD in PLN	✓	✓	✓	✓
SWISS FRANC SPOT	✓	✓	✓	✓
DOLLAR INDEX SPOT	✓	✓	✓	✓
NORWEGIAN KRONE SPOT	✓	✓	✓	✓
SWEDISH KRONA SPOT	✓	✓	✓	✓
EUR-PLN X-RATE	✓	✓	✓	✓

**NB: This is NOT a model and is intended for reference only. It is a basic system to determine if a market is trending or not. It cannot judge strength of support or resistance or whether various momentum oscillators have diverged. For this reason it is possible that the we will occasionally hold a different position to that indicated by the tables above.**

# Currency ranking vs the US Dollar for the past 5 days



Source Bloomberg 08.00AM

## Technical Trade Ideas

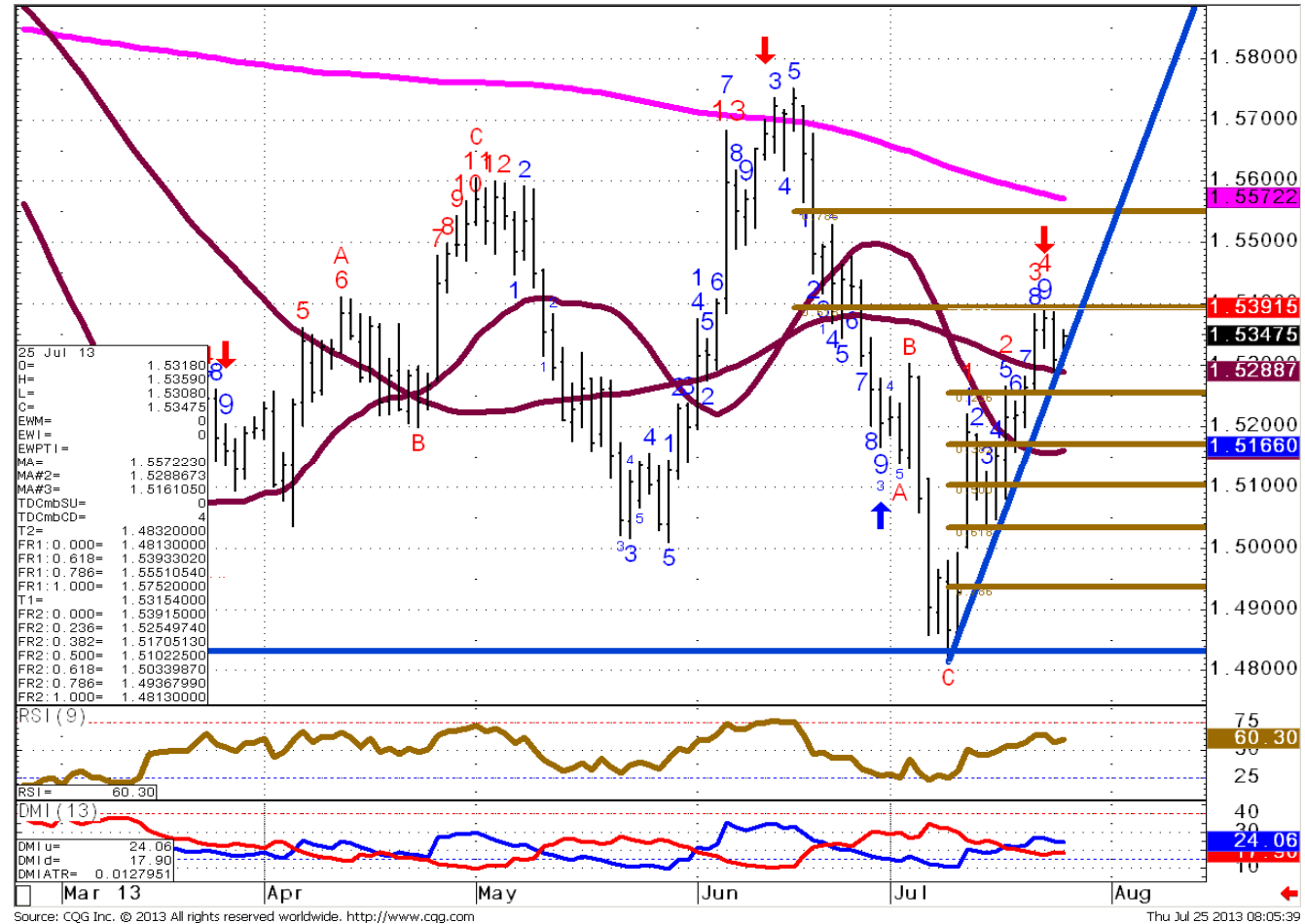
Date	Instrument	Trade Idea	Stop	Take Profit	Outcome	P&L
08.07.2013	bund	Sell 143.60, add 143.98	Lower stop from 144.65 to 144.40	140	Short at 143.79, current 142.72	+0.7%

# Looking for GBP/USD to fail at its 61.8% retracement

Close below its trendline at 1.5315 required

GBP/USD as we highlighted yesterday, we considered that the market was likely to fail at the 1.5393 61.8% retracement and this is now being seen. We have a TD perfected set up on the daily chart and a 13 count on the 240 minute chart. Attention reverts to the 1.5315 accelerated uptrend – a close below here is required to signal the resumption of downside pressure and re-target the 1.4854/32 support zone.

Above 1.5393 would signal further gains to 1.5551 the 78.6% retracement.



# Looking for failure shortly for AUD/USD

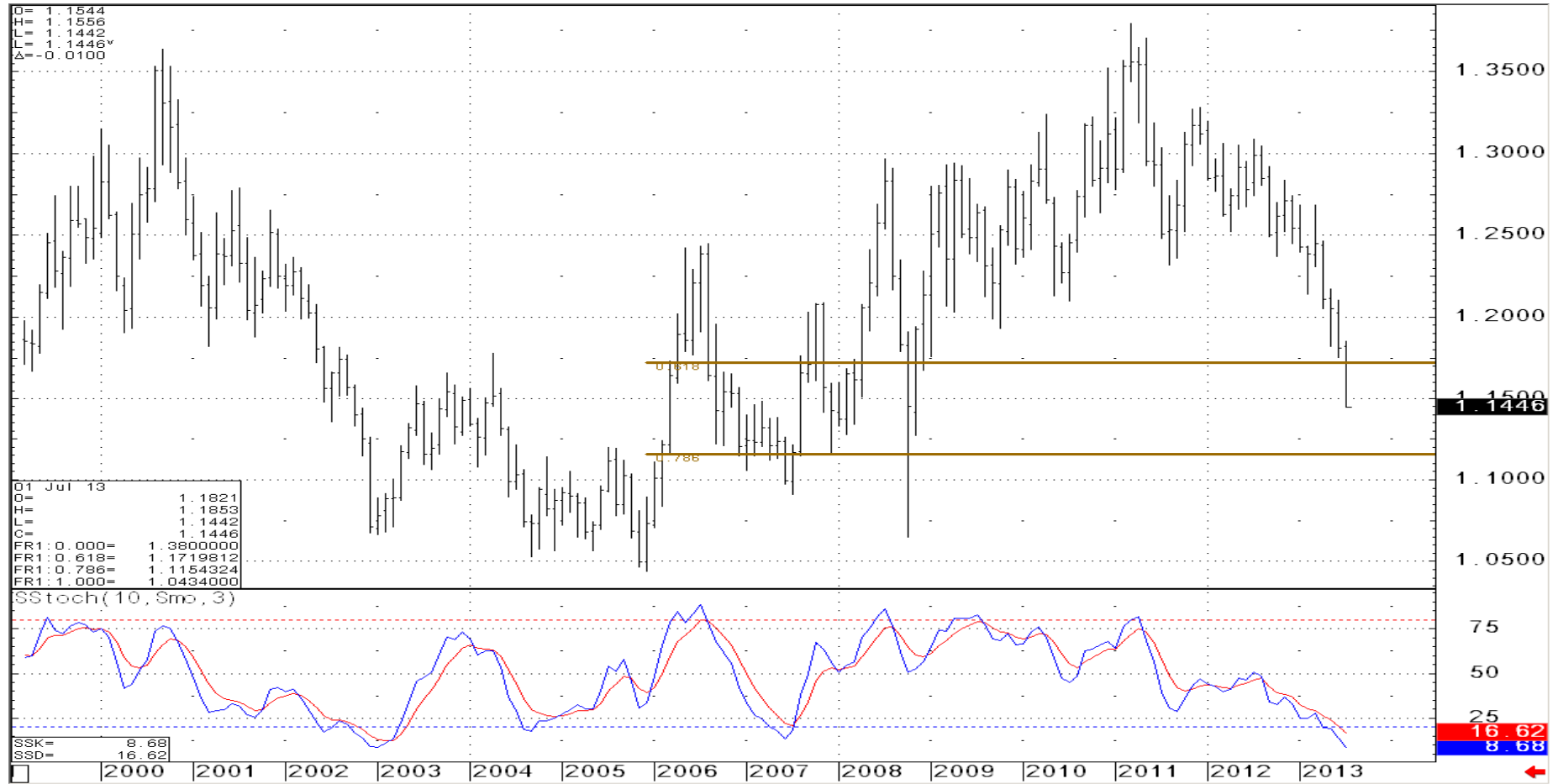


AUD/USD charted an outside day to the downside and attention has reverted to support. The intraday charts are suggesting that the current correction has run its course and given that the market remains capped by key resistance at .9388/.9404 (the 2011 low and highs from 2009 and 2010) our negative bias is entrenched. To trigger another leg lower we suspect that the market will need to sustain a break back below .9000.

Longer term the close below .9147 which has been seen recently is bearish and we consider that the next target of .8550 is engaged.

# AUD/NZD - collapsing lower

Next support and target is the 1.1154 78.6% retracement



Source: CQG Inc. © 2013 All rights reserved worldwide. <http://www.cqg.com>

Thu Jul 25 2013 08:10:13



# AUD/CAD continues to remain capped by its 3 month downtrend at .9598



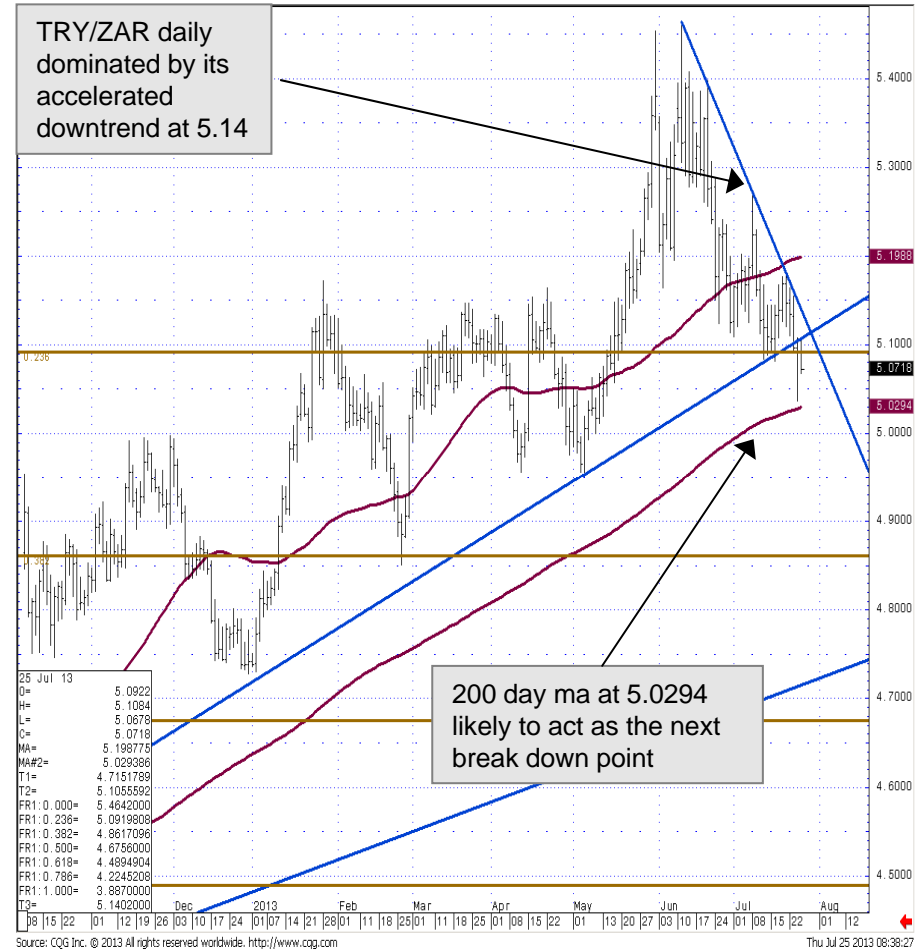
# ZAR strengthens- USD/ZAR has held initial test of 9.60= 38.2% retracement

- 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. 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 for 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.
- Failure at 9.3673 will signal a deeper sell off to the 9.10 2011-2013 uptrend, which is the maximum downside that we would expect to see.



# TRY/ZAR has eroded its 2012-2013 uptrend

Looks set to react back to the 4.9527 April low



# USD/SGD - Daily Chart

Stabilisation being seen above the 50% retracement at 1.2568 is encouraging

- › USD/SGD is showing signs of embryonic recovery off the 50% retracement of the May-to-July advance at 1.2568 and the market is showing signs of stabilisation off this zone.
- › Provided that this week's low and the March peak at 1.2567/30 underpin, the 1.2727 May high should be revisited. The market will need to close above here to signal a re-attempt on the 1.2815 June and the 1.2871 current July highs.
- › Were support at 1.2567/30 unexpectedly give way, the area around the 61.8% Fibonacci retracement of the May-to-July rise at 1.2497 is likely to offer support, though.
- › If not, the April peak at 1.2437 and the June trough at 1.2405 will be eyed.
- › We will stay longer term bullish while the currency pair remains above the June low at 1.2405.

USD/SGD Daily Chart



Support	Resistance	1-Week View	1-Month View
1.2568/30	1.2727	➔	➔
1.2497&1.2437	1.2815/71		

# USD/IDR 1 Month NDF - Daily Chart

Well placed to challenge and overcome the 10566 peak

- › USD/IDR 1 Month NDF is well placed to retest its June peak at 10566 around which it may stall, however.
- › Having said that, while the three month support line, July low and the 55 day moving average at 10080/10153 underpin, upside pressure should prevail.
- › **Should the 10566 June peak be exceeded, the 50% retracement of the 2009-13 decline at 10621.50 will be in focus. Please note that the base that developed 2010-2011 offers an upside measured target to 10700.**
- › Should the 10080 support area unexpectedly give way instead, the psychological 10000 level would be back on the map. Below it lies the 61.8% Fibonacci retracement of this year's rise at 9972.10. Only failure here would lead to the 200 day moving average at 9819 being eyed.

## USD/IDR 1 Month NDF Daily Chart



Support	Resistance	1-Week View	1-Month View
10153/10080	10566&10621	➔	➔
9970&9928	10710/80		

# USD/MYR 1 Month NDF - Daily Chart

Bullish consolidation implies market is well placed to take out the June peak at 3.2305

- › The USD/MYR 1 Month NDF has been consolidating below the 3.2305 June high over the past few weeks. This consolidation looks like a potential bullish consolidation, which is expected to break higher shortly.
- › We believe that the NDF has ended its correction lower at this point and is well placed to head back up towards the 3.2214 current July high and the 3.2305 June high.
- › **Once the 3.2305 June high has been bettered, the 38.2% Fibonacci retracement of the 2009-11 descent at 3.2499 will be in focus and eventually the 50% retracement at 3.3464 as well.**
- › We still believe that a significant low was made at 2.9580 in early May and that further US Dollar strength will be seen over the coming months. While the mid-June low at 3.1155 underpins, upside pressure should be maintained.

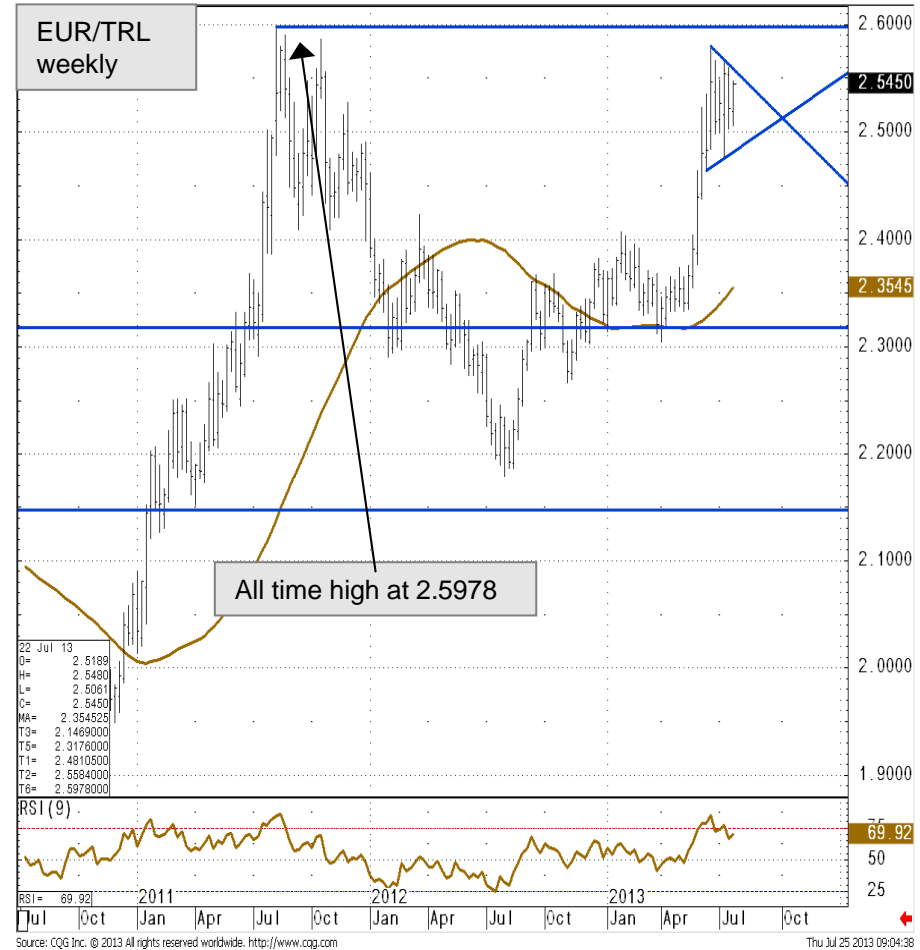
## USD/MYR 1 Month NDF Daily Chart



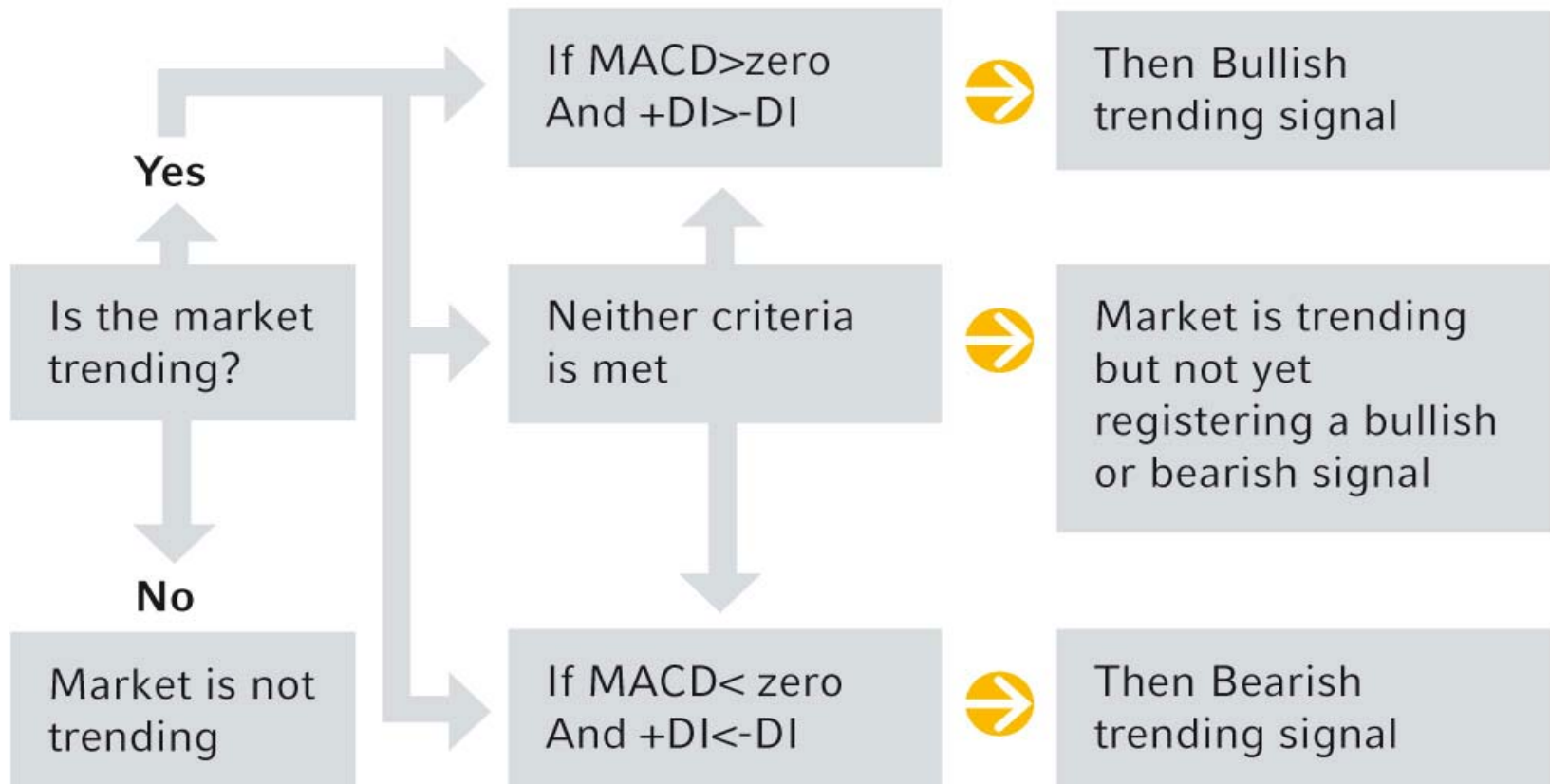
Support	Resistance	1-Week View	1-Month View
3.1575&3.1461	3.2214/3.2305	➔	➔
3.1344&3.1155	3.2499&3.3464		

# One to watch - EUR/TRL

Tight consolidation 2.4834/2.56, looks like a potential bullish triangle, completes on a close above 2.56



## Trending Filter





# Glossary

## ADX

J. Welles Wilder developed the Average Directional Index (**ADX**) to evaluate the strength of a current trend. The ADX is an oscillator that fluctuates between 0 and 100. Even though the scale is from 0 to 100, readings above 60 are relatively rare. Low readings, below 20, indicate that the market is not trending and high readings, above 40, indicate a strong trend. It does not determine if the trend is bullish or bearish BUT just establishes whether a trending situation exists.

DI+ = positive directional indicator, DI- = negative directional indicator. Buy and sell signals are generated when DI+ and DI – crossover.

## Moving Average Convergence/Divergence (**MACD**),

MACD uses moving averages, which are lagging indicators, to include some trend-following characteristics. These lagging indicators are turned into a momentum oscillator by subtracting the longer moving average from the shorter moving average. The resulting plot forms a line that oscillates above and below zero, without any upper or lower limits. There are many ways to use this indicator but the simplest is that when above zero is denotes market strength and when below zero denotes market weakness.

**NB: This is NOT a model and is intended for reference only – it a basic system to determine if a market is trending or not, it cannot judge strength of supports or resistance or whether various momentum oscillators have diverged. For this reason it is possible that the we will occasionally hold a different position to that indicated by the tables.**

Technical Analysis Research **COMMERZBANK**

**Daily Market Technicals**  
FX Outlook

Karen Jones  
+44 202 475 1620  
karen.jones@commerzbank.com




For important disclosure information please see pages 14 and 15

Technical Analysis Research **COMMERZBANK**

**Strategic Technical Themes**  
Weekly Outlook and Technical Highlights

Karen Jones  
+44 202 475 1620  
karen.jones@commerzbank.com

Azul Rutigliano  
+44 202 475 6721  
azul.rutigliano@commerzbank.com



For important disclosure information please see pages 28 and 29

Technical Analysis Research **COMMERZBANK**

**FX Emerging Markets Weekly Technicals**  
Technical Outlook

Azul Rutigliano  
+44 202 475 6721  
azul.rutigliano@commerzbank.com




For important disclosure information please see pages 16 and 15

Technical Analysis Research **COMMERZBANK**

**Bullion Weekly Technicals**  
Technical Outlook

Azul Rutigliano  
+44 202 475 6721  
azul.rutigliano@commerzbank.com

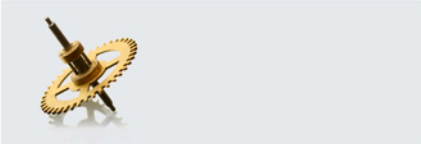


For important disclosure information please see pages 12 and 14

Technical Analysis Research **COMMERZBANK**

**Commodity Currencies Weekly Technicals**  
Technical Outlook

Azul Rutigliano  
+44 202 475 6721  
azul.rutigliano@commerzbank.com



For important disclosure information please see pages 14 and 15

Technical Analysis Research **COMMERZBANK**

**Commodity Weekly Technicals**  
Technical Outlook

Karen Jones  
+44 202 475 1620  
karen.jones@commerzbank.com

Azul Rutigliano  
+44 202 475 6721  
azul.rutigliano@commerzbank.com




For important disclosure information please see pages 21 and 22

Technical Analysis Research **COMMERZBANK**

**Asian Currencies Weekly Technicals**  
Technical Outlook

Azul Rutigliano  
+44 202 475 6721  
azul.rutigliano@commerzbank.com



For important disclosure information please see pages 24 and 25

Technical Analysis Research **COMMERZBANK**

**Fixed Income Weekly Technicals**  
Technical Outlook

Karen Jones  
+44 202 475 1620  
karen.jones@commerzbank.com

Azul Rutigliano  
+44 202 475 6721  
azul.rutigliano@commerzbank.com



For important disclosure information please see pages 33 and 34

## Other technical analysis reports we publish are:

- Monday:** Daily Market Technicals (FX), FX Emerging Markets Technicals;
- Tuesday:** Daily Market Technicals (FX), Bullion Weekly Technicals;
- Wednesday:** Daily Market Technicals (FX), Commodity Weekly, Commodity Currencies Weekly Technicals;
- Thursday:** Daily Market Technicals (FX), Asian Currencies Weekly Technicals, FX Strategy;
- Friday:** Daily Market Technicals (FX), Fixed Income Weekly Technicals.

# Disclaimer

This document has been created and published by the Corporates & Markets division of Commerzbank AG, Frankfurt/Main or Commerzbank's branch offices mentioned in the document. Commerzbank Corporates & Markets is the investment banking division of Commerzbank, integrating research, debt, equities, interest rates and foreign exchange. The author(s) of this report, certify that (a) the views expressed in this report accurately reflect their personal views; and (b) no part of their compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or views expressed by them contained in this document. The analyst(s) named on this report are not registered / qualified as research analysts with FINRA and are not subject to NASD Rule 2711.

## **Disclaimer**

This document is for information purposes only and does not take account of the specific circumstances of any recipient. The information contained herein does not constitute the provision of investment advice. It is not intended to be and should not be construed as a recommendation, offer or solicitation to acquire, or dispose of, any of the financial instruments mentioned in this document and will not form the basis or a part of any contract or commitment whatsoever.

The information in this document is based on data obtained from sources believed by Commerzbank to be reliable and in good faith, but no representations, guarantees or warranties are made by Commerzbank with regard to accuracy, completeness or suitability of the data. The opinions and estimates contained herein reflect the current judgement of the author(s) on the data of this document and are subject to change without notice. The opinions do not necessarily correspond to the opinions of Commerzbank. Commerzbank does not have an obligation to update, modify or amend this document or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

The past performance of financial instruments is not indicative of future results. No assurance can be given that any opinion described herein would yield favourable investment results. Any forecasts discussed in this document may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information and/or the subsequent transpiration that underlying assumptions made by Commerzbank or by other sources relied upon in the document were inapposite.

Neither Commerzbank nor any of its respective directors, officers or employees accepts any responsibility or liability whatsoever for any expense, loss or damages arising out of or in any way connected with the use of all or any part of this document.

Commerzbank may provide hyperlinks to websites of entities mentioned in this document, however the inclusion of a link does not imply that Commerzbank endorses, recommends or approves any material on the linked page or accessible from it. Commerzbank does not accept responsibility whatsoever for any such material, nor for any consequences of its use.

This document is for the use of the addressees only and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any purpose, without the prior, written consent of Commerzbank. The manner of distributing this document may be restricted by law or regulation in certain countries, including the United States. Persons into whose possession this document may come are required to inform themselves about and to observe such restrictions. By accepting this document, a recipient hereof agrees to be bound by the foregoing limitations

# Disclaimer (contd.)

**Additional notes to readers in the following countries:**

**Germany:** Commerzbank AG is registered in the Commercial Register at Amtsgericht Frankfurt under the number HRB 32000. Commerzbank AG is supervised by the German regulator Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), Marie-Curie-Strasse 24-28, 60439 Frankfurt am Main, Germany.

**United Kingdom:** This document has been issued or approved for issue in the United Kingdom by Commerzbank AG London Branch. Commerzbank AG, London Branch is authorised by Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority. Details on the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available from us on request. This document is directed exclusively to eligible counterparties and professional clients. It is not directed to retail clients. No persons other than an eligible counterparty or a professional client should read or rely on any information in this document. Commerzbank AG, London Branch does not deal for or advise or otherwise offer any investment services to retail clients.

**United States:** This document has been approved for distribution in the US under applicable US law by Commerz Markets LLC ("Commerz Markets"), a wholly owned subsidiary of Commerzbank AG and a US registered broker-dealer. Any securities transaction by US persons must be effected with Commerz Markets. Under applicable US law; information regarding clients of Commerz Markets may be distributed to other companies within the Commerzbank group. This report is intended for distribution in the United States solely to "institutional investors" and "major U.S. institutional investors," as defined in Rule 15a-6 under the Securities Exchange Act of 1934. Commerz Markets is a member of FINRA and SIPC.

**Canada:** The information contained herein is not, and under no circumstances is to be construed as, a prospectus, an advertisement, a public offering, an offer to sell securities described herein, solicitation of an offer to buy securities described herein, in Canada or any province or territory thereof. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the relevant province or territory of Canada in which such offer or sale is made. Under no circumstances is the information contained herein to be construed as investment advice in any province or territory of Canada and is not tailored to the needs of the recipient. In Canada, the information contained herein is intended solely for distribution to Permitted Clients (as such term is defined in National Instrument 31-103) with whom Commerz Markets LLC deals pursuant to the international dealer exemption. To the extent that the information contained herein references securities of an issuer incorporated, formed or created under the laws of Canada or a province or territory of Canada, any trades in such securities may not be conducted through Commerz Markets LLC. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon these materials, the information contained herein or the merits of the securities described herein and any representation to the contrary is an offence.

**European Economic Area:** Where this document has been produced by a legal entity outside of the EEA, the document has been re-issued by Commerzbank AG, London Branch for distribution into the EEA.

**Singapore:** This document is furnished in Singapore by Commerzbank AG, Singapore branch. It may only be received in Singapore by an institutional investor as defined in section 4A of the Securities and Futures Act, Chapter 289 of Singapore ("SFA") pursuant to section 274 of the SFA.

**Hong Kong:** This document is furnished in Hong Kong by Commerzbank AG, Hong Kong Branch, and may only be received in Hong Kong by 'professional investors' within the meaning of Schedule 1 of the Securities and Futures Ordinance (Cap.571) of Hong Kong and any rules made there under.

**Japan:** Commerzbank AG, Tokyo Branch is responsible for the distribution of Research in Japan. Commerzbank AG, Tokyo Branch is regulated by the Japanese Financial Services Agency (FSA).

**Australia:** Commerzbank AG does not hold an Australian financial services licence. This document is being distributed in Australia to wholesale customers pursuant to an Australian financial services licence exemption for Commerzbank AG under Class Order 04/1313. Commerzbank AG is regulated by Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) under the laws of Germany which differ from Australian laws.

© Commerzbank AG 2013. All rights reserved. Version 9.14

**Commerzbank Corporates & Markets**

Frankfurt	London	New York	Singapore Branch	Hong Kong Branch
Commerzbank AG	Commerzbank AG London Branch	Commerz Markets LLC	Commerzbank AG	Commerzbank AG
DLZ - Gebäude 2, Händlerhaus Mainzer Landstraße 153 60327 Frankfurt	PO BOX 52715 30 Gresham Street London, EC2P 2XY	2 World Financial Center, 31st floor New York, NY 10020-1050	71 Robinson Road, #12-01 Singapore 068895	29/F, Two IFC 8 Finance Street Central Hong Kong
Tel: + 49 69 136 21200	Tel: + 44 207 623 8000	Tel: + 1 212 703 4000	Tel: +65 631 10000	Tel: +852 3988 0988