

FX Emerging Markets Weekly Technicals

Monday, 07 October 2013

Technical Outlook

<p>1 Technical Analysis Banks Commerzbank</p> <p>Source: Euromoney FX Poll 2012</p> <p>2012  EUROMONEY</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  the technical analyst</p>	<p>2 Technical Analysis Commerzbank</p> <p>Source: Euromoney FX Survey 2013</p> <p>2013  EUROMONEY</p>
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For important disclosure information please see the end of the document.

Technical Outlook

Emerging market currencies are once again appreciating versus the the Euro

Market	Short term view (1-3 weeks)
EUR/PLN:	We have neutralised our view and expect to see further range trading with a negative bias into year end.
EUR/HUF:	Because of last week's slide we have turned short term bearish and medium term neutral.
EUR/CZK:	In view of the September failure swing we have changed our short term outlook to being bearish.
EUR/BRL:	Our short term forecast has been changed back to being bearish; expect to see more downside.
USD/BRL:	Is likely to soon fall through the September low at 2.1811 which is why we are short term bearish again.
EUR/TRY:	Remains below key resistance at 2.7691/2.7772, a rise above which will eye the 2.8000 region.
USD/TRY:	Could soon find support around the 55 day moving average at 1.9811 and then rise again.
USD/MXN:	Remains on track to reach the major 13.4622/66 resistance zone.
USD/ZAR:	Still targets the 10.2984/10.3610 resistance zone.
Rouble Basket:	Probes the 55 day moving average at 37.66 which is expected to soon give way.

Polish Zloty, Hungarian Forint and Czech Koruna vs. Euro (rebased)

Eastern European currencies are rising again versus the Euro

PLNEUR Spot Exchange Rate - Price of 1 PLN in EUR (PLNEUR)

 update

Daily PLNEUR Rebase HUF EUR Curncy 31/12/12 Rebase CZK EUR Curncy 31/12/12

7 Oct 2013 PLNEUR

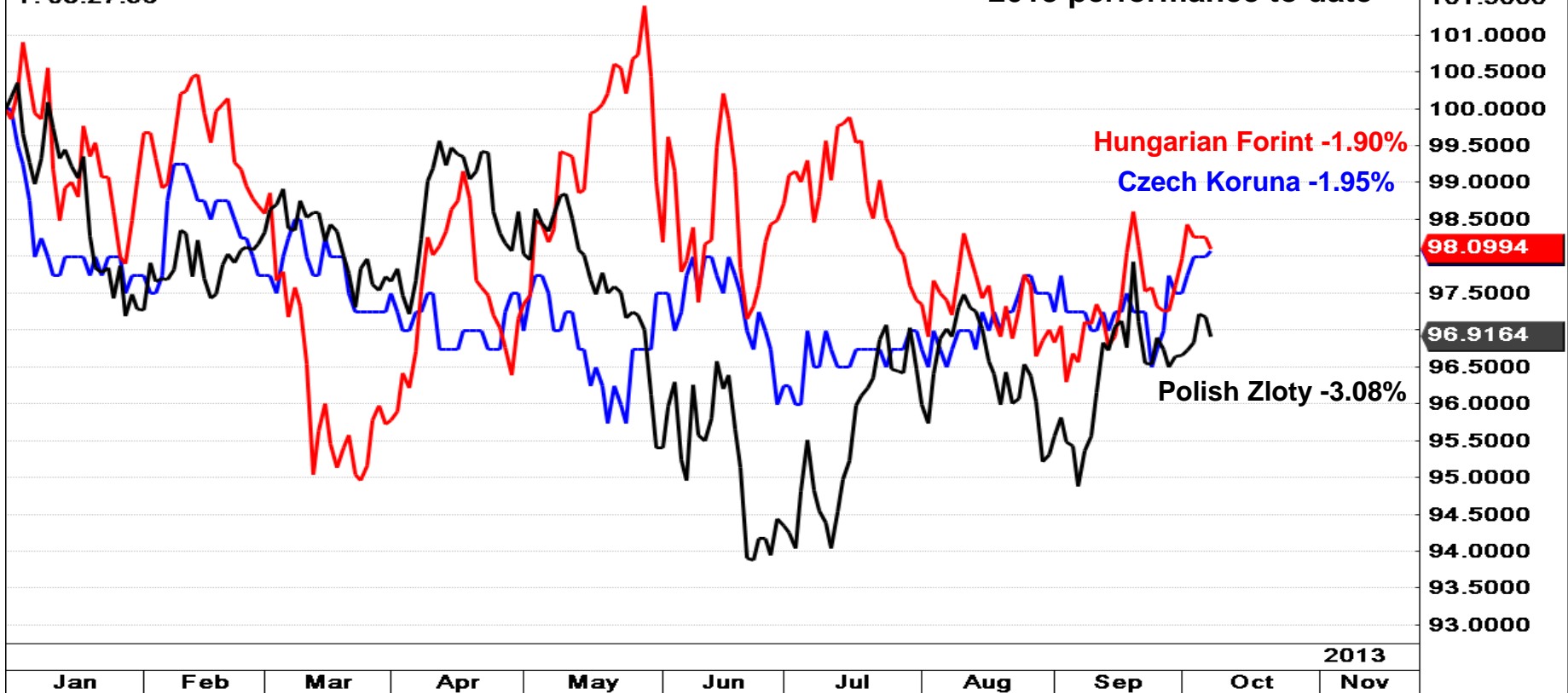
Ar

Update Professional : Data by Bloomberg

C: 0.23749 -0.00062 (-0.26%)

T: 08:27:56

2013 performance to date



Turkish Lira, South African Rand, Brazilian Real & Mexican Peso vs. US\$

EM currencies, except the Brazilian Real, are rising again versus the US Dollar

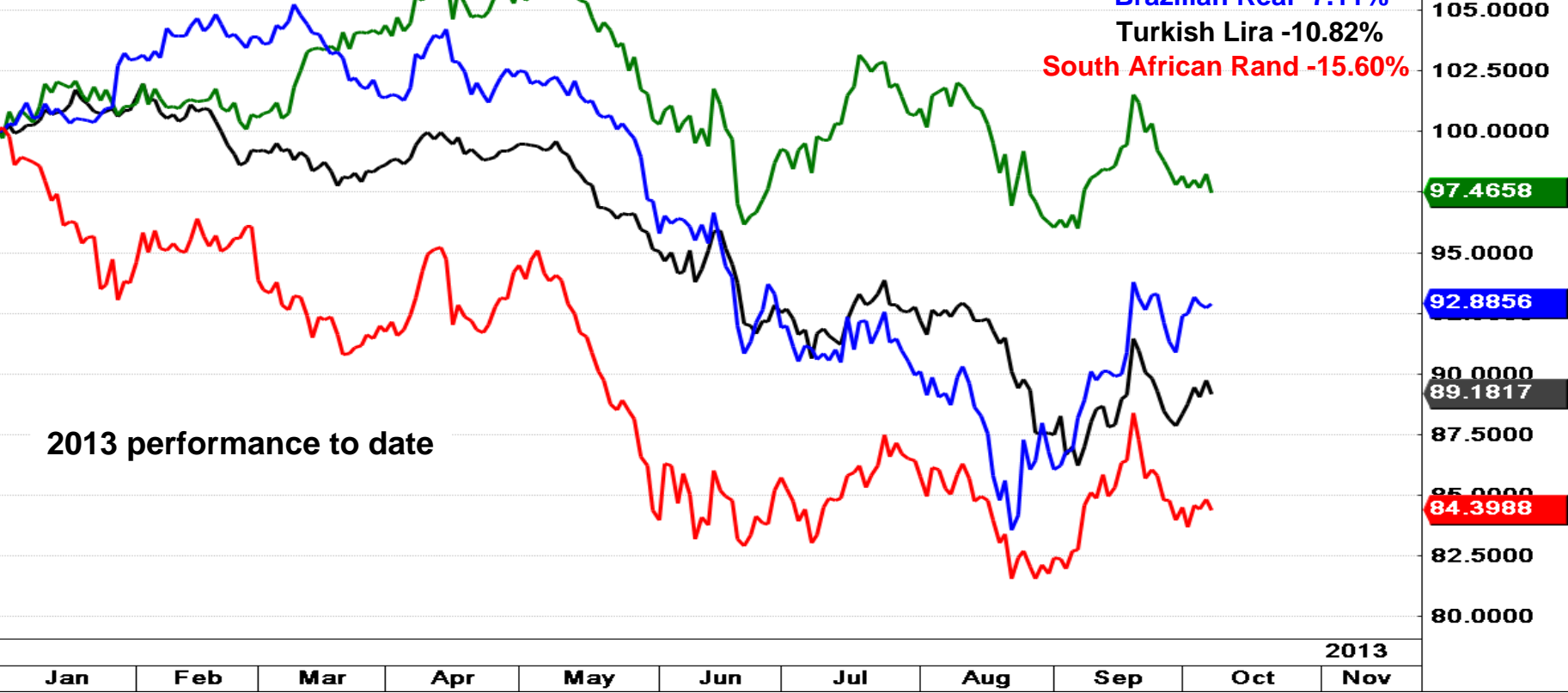
TRYUSD Spot Exchange Rate - Price of 1 TRY in USD (TRYUSD)

[update](#)

Daily Rebase ZARUSD Curncy 31/12/12 Rebase BRLUSD Curncy 31/12/12 Rebase MXNUSD Curncy 31/12/12 TR Ar

Update Professional : Data by Bloomberg
 C: 0.50002 -0.00326 (-0.64%)
 T: 08:30:39

Mexican Peso -2.53%
 Brazilian Real -7.11%
 Turkish Lira -10.82%
 South African Rand -15.60%



EUR/PLN - Daily Chart

Seems to be slowly reversing its trend and should gradually slide back towards the 4.0000 mark

- › We have decided to neutralise our medium term outlook and turn bearish on our short term view because EUR/PLN is once again trading around the 200 day moving average at 4.1996 and overall looks weak to us.
- › Further range trading, mostly with a negative bias, should be seen into the year end with the currency pair expected to stay below the 4.3098 September high.
- › As long as this is the case the odds favour a retest of the September low at 4.1443.
- › Failure there on a weekly basis will mean that a top has been formed with the 200 week moving average at 4.1190 then being in focus. It should be reached by the end of the first quarter of 2014.
- › Good resistance can now be seen between the 55 day moving average at 4.2296 and the late September high at 4.2403.

EUR/PLN Daily Chart



Support	Resistance	1-Week View	1-Month View
4.1807&4.1496	4.2296/4.2403	➔	➔
4.1443&4.1187	4.2861/4.3098		

EUR/PLN - Weekly Chart

Is sliding and a weekly close below the 4.1443 September low would be medium term bearish

EUR/PLN Weekly Chart



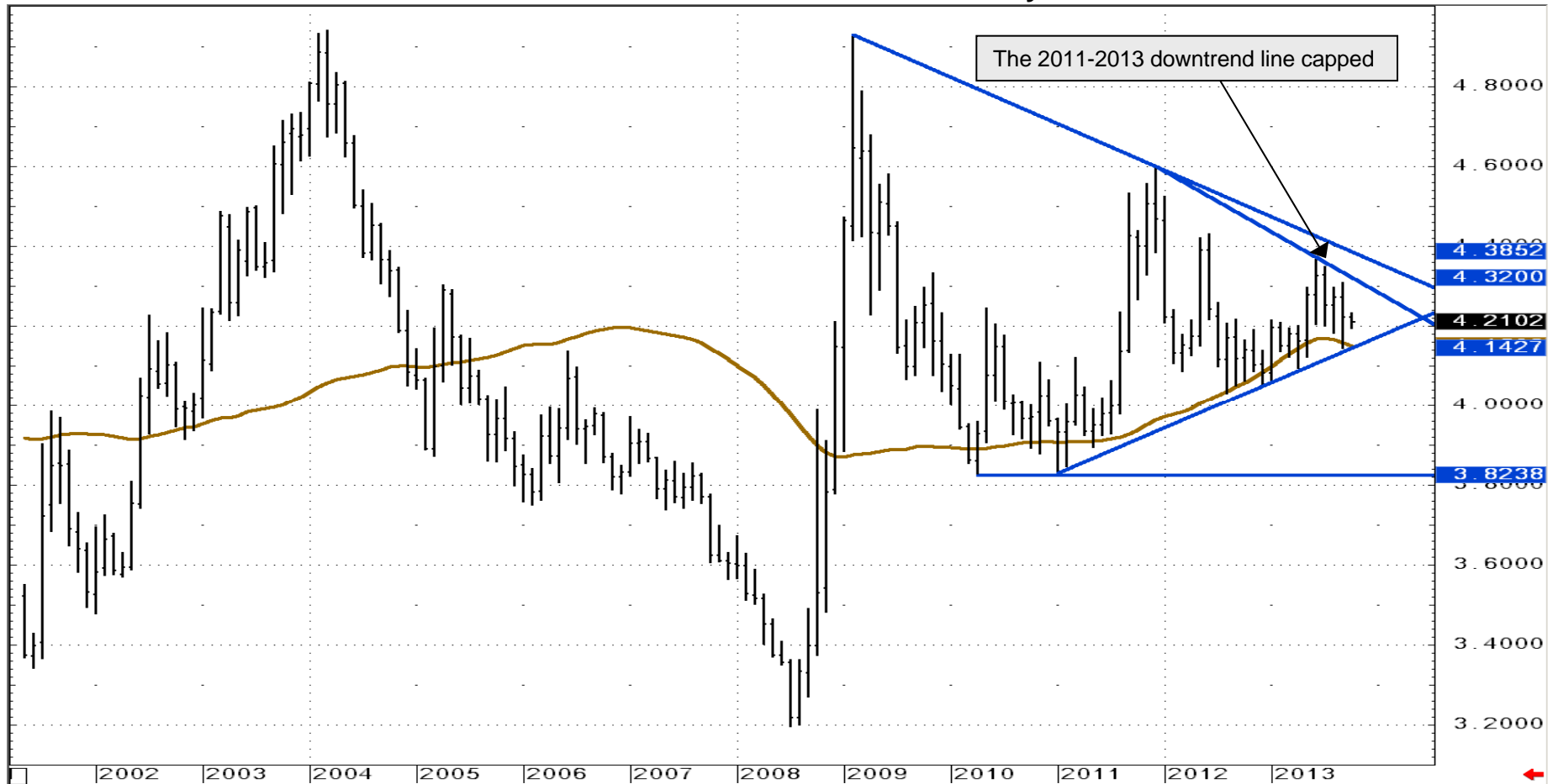
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Mon Oct 07 2013 09:16:20

EUR/PLN - Monthly Chart

Comes off the 2011-13 downtrend line at 4.3245 and is heading back towards the 4.0000 region

EUR/PLN Monthly Chart



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Mon Oct 07 2013 09:18:14

EUR/HUF - Daily Chart

Because of last week's slide we have turned short term bearish and medium term neutral

- › We no longer believe that the September decline in EUR/HUF ended at the 294.53 mid-September low which is why we have turned short term bearish and have neutralised our medium term forecast.
- › Over the past few days EUR/HUF has oscillated around the 200 day moving average at 296.65 but it looks increasingly likely that it will soon slide again and should then drop through the 294.53 September low.
- › Failure at the 294.53 low would turn our one month view bearish and lead to the 291.08 July low and the 289.62 mid-June low being targeted.
- › Resistance comes in at 298.88/299.02. This is where the 55 day moving average and the two month resistance line meet.
- › We will retain our short term bearish view while EUR/HUF stays below the 300.47 late September high.

EUR/HUF Daily Chart



Support	Resistance	1-Week View	1-Month View
295.67/294.53	298.88/299.02	➔	➔
291.08&289.62	300.47&302.20		

EUR/HUF - Weekly Chart

Sits on the May-to-September support line at 295.67

EUR/HUF Weekly Chart



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EUR/CZK - Daily Chart

In view of the September failure swing we have changed our short term outlook to being bearish

- › In late September EUR/CZK shot up to 25.99 before strongly reversing its short term trend and dropping towards key support at 25.475/46. It is made up of the June low and the 38.2% Fibonacci retracement of the 2012-13 advance and, although it may hold for a few days or even weeks, this support area is expected to give way in October or November.
- › Failure at the 25.475/46 support zone and at the next lower 25.38 March low would make us medium term bearish and lead to the February low at 25.18 and the 200 week moving average at 25.165 being back on the map.
- › Further down lies the December 2012 low at 25.05.
- › We will retain our overall bearish view while EUR/CZK trades below the 25.99 September high. Minor resistance below this level comes in at the 25.61 late August low and around the 200 day moving average at 25.735.

EUR/CZK Daily Chart



Support	Resistance	1-Week View	1-Month View
24.475&25.38	25.61&25.73	↘	➔
25.18&25.05	25.865&25.99		

EUR/CZK - Weekly Chart

Is keeling over and a weekly close below the 25.475 June low would be medium term bearish

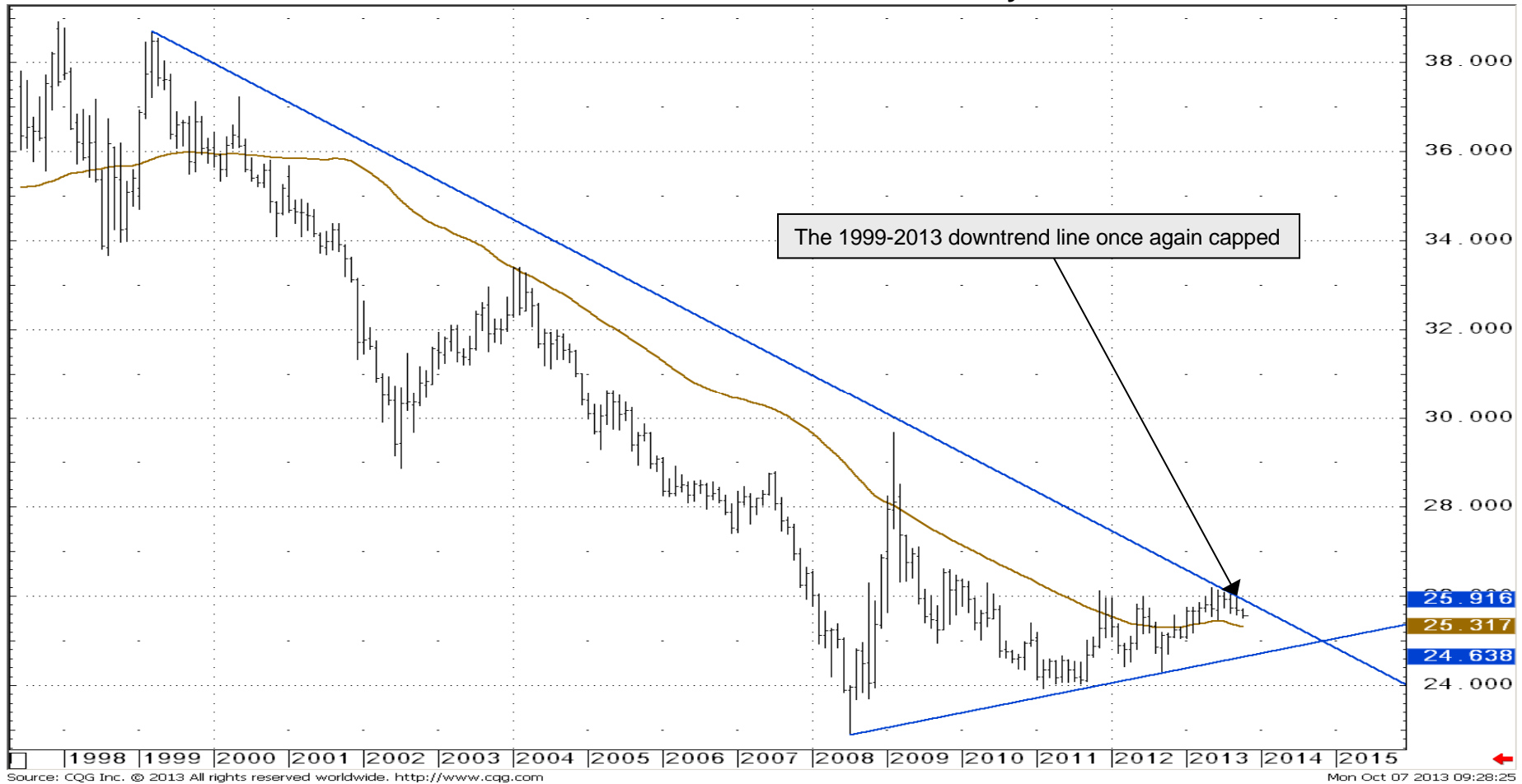
EUR/CZK Weekly Chart



EUR/CZK - Monthly Chart

Comes off the long term downtrend line and is heading back towards the 55 month ma at 25.32

EUR/CZK Monthly Chart



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Mon Oct 07 2013 09:28:25

EUR/BRL - Daily Chart

Our short term forecast has been changed back to being bearish; expect to see more downside

- › EUR/BRL's rejection by the 55 day moving average at 3.0615 and subsequent retest of the 2013 support line at 2.9808 is not bullish price behaviour and instead points to further weakness which is why we have turned short term bearish.
- › Once the September low at 2.9479 has been fallen through, we will have to allow for the 50% retracement of the March-to-August advance at 2.9018 and the 2.8787 July low to be revisited. There EUR/BRL should find support, though.
- › We will retain this bearish forecast while the currency pair remains below the early August high at 3.1013 on a daily chart closing basis.

EUR/BRL Daily Chart



Support	Resistance	1-Week View	1-Month View
2.9808/2.9479	3.0615/3.0686	↘	→
2.9018/2.8787	3.1013&3.1687		

EUR/BRL - Weekly Chart

Drop through the 2013 uptrend line looks to be imminent

EUR/BRL Weekly Chart



USD/BRL - Daily Chart

Is likely to soon fall through the September low at 2.1811 which is why we are bearish again

- › USD/BRL recent descent paused and did probably not end at the 2.1811 September low as we originally thought.
- › While the currency pair stays below the 2.2636 late September high, the risk of a fall through the 2.1811 low being seen remains high which is why we are now short term bearish.
- › Failure at the 2.1811 September low and the late June trough at 2.1811/2.1772 will lead to the 61.8% Fibonacci retracement at 2.1377 and the 200 day moving average at 2.1215 being in the firing line.
- › We will retain our medium term neutral forecast while the currency pair remains below the 55 day moving average at 2.2916.
- › Only a no longer expected daily close above the 55 day moving average and the 2.3069 September 11 high would reinstate our previously held bullish outlook.

USD/BRL Daily Chart



Support	Resistance	1-Week View	1-Month View
2.1919/2.1811	2.2586/2.2636	➔	➔
2.1772&2.1377	2.2916&2.3069		

USD/BRL - Weekly Chart

The 50% retracement at 2.1981 is increasingly under pressure and may soon give way

USD/BRL Weekly Chart



EUR/TRY - Daily Chart

Remains below key resistance at 2.7691/2.7772, a rise above which will eye the 2.8000 region

- › EUR/TRY has gradually come off its 2.7609 late September high and so far drifted back to the breached resistance line, now support line, at 2.6917.
- › The last few days' decline looks corrective, however, which means that the August and September highs at 2.7609/91 could be revisited in the weeks to come.
- › Further up is the 2011-13 resistance line at 2.7788, a rise above which will put the 2.8000 region back on the map.
- › Above it lurks an hourly 0.001 x 3 Point & Figure vertical target at 2.81.
- › We will retain our medium term bullish forecast while EUR/TRY stays above its 2.6156 September low.
- › Support above this level is seen at 2.6592/2.6447 (mid-September low and 61.8% Fibonacci retracement) and at 2.6450, that's the 55 day moving average.

Support	Resistance	1-Week View	1-Month View
2.6917&2.6592	2.7609/91	➔	➔
2.6527&2.6450	2.7788&2.8000		

EUR/TRY Daily Chart



EUR/TRY - Weekly Chart

Is about to probe key resistance at 2.7691/2.7788, a rise above which will eye the 2.8000 region

EUR/TRY Weekly Chart



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USD/TRY - Daily Chart

Could soon find support around the 55 day moving average at 1.9811 and then rise again

- › USD/TRY's swift rally from the 1.9330 September low took it to 2.0440 before it drifted back towards the 55 day moving average at 1.9811. Around it the currency pair is expected to stabilise before it continues its advance.
- › The August and September highs at 2.0728/2.0865 will remain in focus as long as UST/TRY stays above the 2013 support line at 1.9513.
- › Once the September high at 2.0865 has been bettered, the 100% Fibonacci extension at 2.0922 and the psychological 2.1000 region will be in focus and then perhaps another 100% Fibonacci extension on the monthly chart at 2.2678.
- › As long as the currency pair stays above the 1.9330 September low, we will retain our medium term bullish view. Unexpected failure there would push the 200 day moving average at 1.8688 back to the fore, though.

USD/TRY Daily Chart

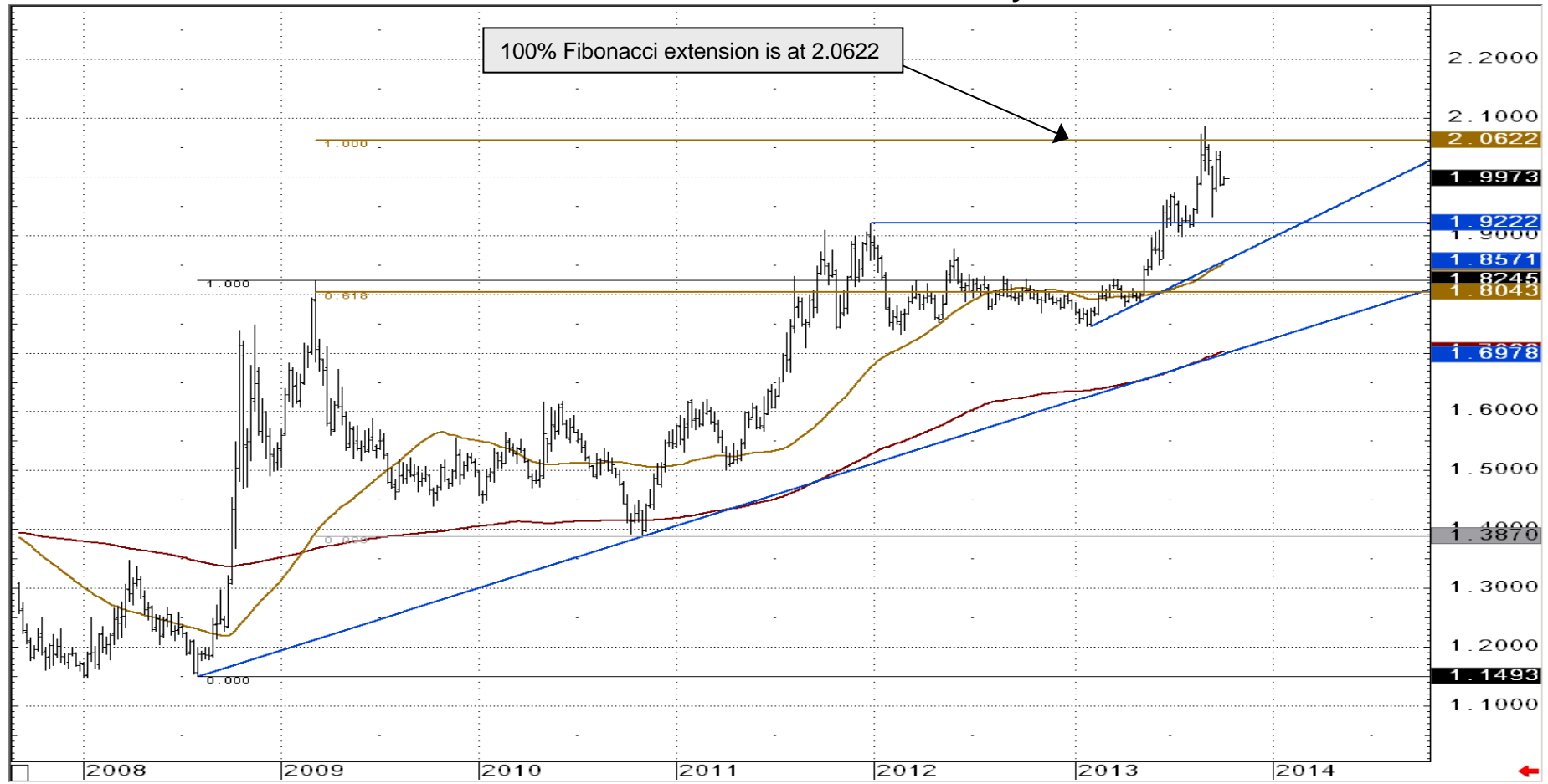


Support	Resistance	1-Week View	1-Month View
1.9811&1.9513	2.0315&2.0440	➔	➔
1.9330&1.9144	2.0728/2.0865		

USD/TRY - Weekly Chart

Trades back around the psychological 2.0000 level

USD/TRY Weekly Chart



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USD/MXN - Daily Chart

Remains on track to reach the major 13.4622/66 resistance zone

- › USD/MXN remains on track to reach key resistance at 13.4622/66. It is made up of the June and September peaks.
- › Once bettered, the July 2012 high at 13.7767 will be back in the frame.
- › We will retain our short term bullish view while the currency pair stays above the 55 day moving average and the late July high at 12.9596/12.8940.
- › Our medium term bullish forecast will remain valid as long as USD/MXN stays above the 12.5835 September low.
- › Should this unexpectedly not be the case and the 12.5502 mid-August low also be taken out, the July trough at 12.4315 would be targeted instead. This we do not believe to be likely, though.

USD/MXN Daily Chart

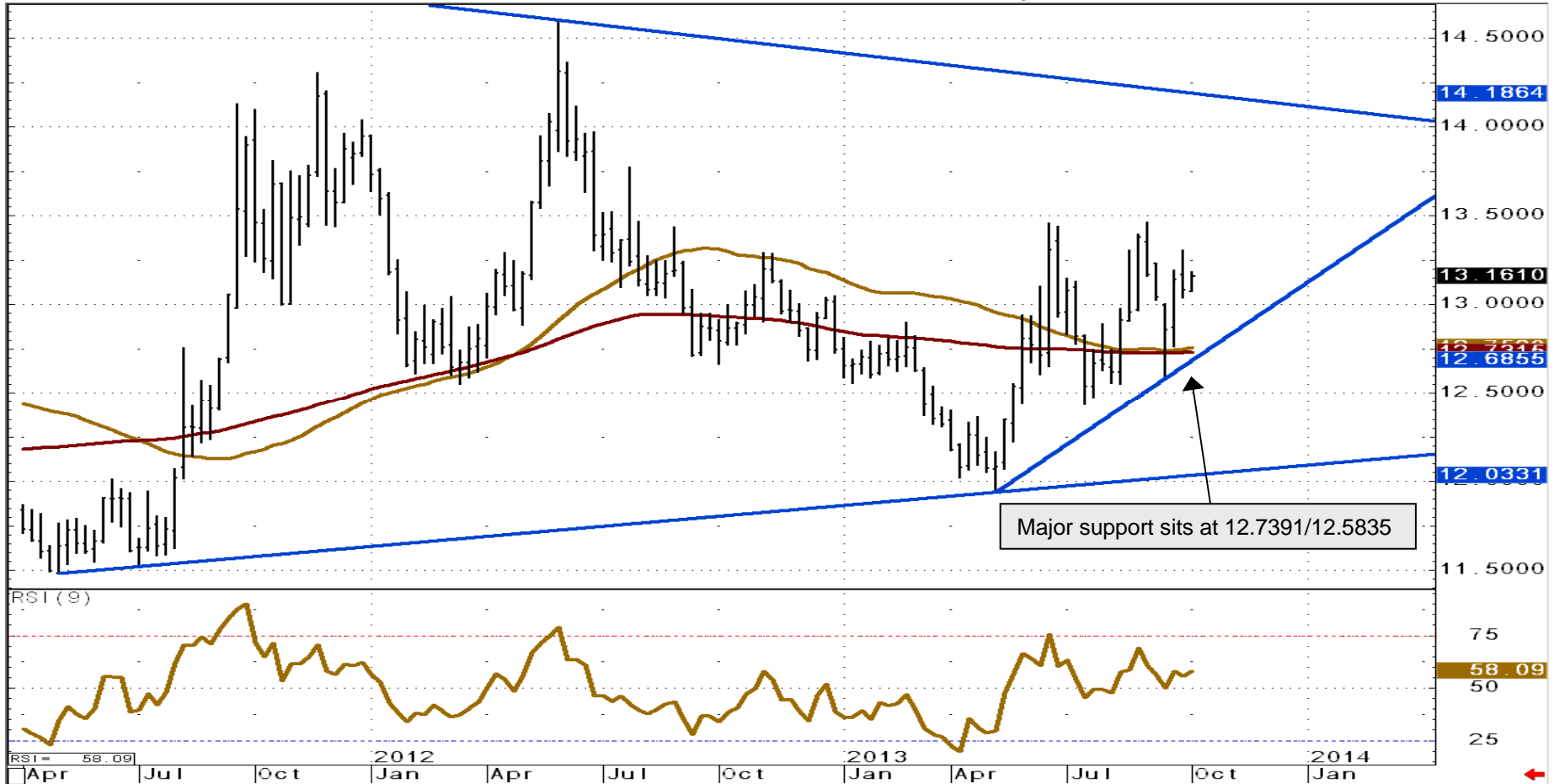


Support	Resistance	1-Week View	1-Month View
13.025&12.959	13.278/13.308	➔	➔
12.894&12.685	13.4622/66		

USD/MXN - Weekly Chart

Continues to bounce off significant support at 12.7391/12.5835

USD/MXN Weekly Chart



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Mon Oct 07 2013 10:56:33

USD/ZAR - Daily Chart

Still targets the 10.2984/10.3610 resistance zone

- > USD/ZAR's bounce off the 9.5473 September low has further to run with the 10.2984/10.3610 resistance zone being targeted. This is where the May, June and July highs were made.
- > Above it sits the August peak at 10.5058.
- > Slips should find support between the 55 day moving average at 10.0032 and the 38.2% Fibonacci retracement of the August-to-September decline at 9.9134.
- > We will keep our bullish forecasts while the currency pair remains above its September low at 9.5473.
- > Only unexpected failure at 9.5473 would push the 2013 support line at 9.5121 and the 200 day moving average at 9.4923 back to the fore.

USD/ZAR Daily Chart



Support	Resistance	1-Week View	1-Month View
9.9884/9.9134	10.169&10.298	➔	➔
9.7298&9.6130	10.361&10.506		

USD/ZAR - Weekly Chart

Continues to oscillate around the psychological 10.0000 mark

USD/ZAR Weekly Chart



Rouble Basket - Daily Chart

Probes the 55 day moving average at 37.66 which is expected to soon give way

- › The rouble basket's September bounce off its 36.51 low has so far taken it to the 55 day moving average at 37.66.
- › Once overcome, the July high at 37.75 will be back in the picture, as will the June peak at 37.89. Between the latter level and the 38.00 mark the rouble basket may well lose upside momentum, though.
- › We will retain our short term bullish view while no daily chart close below the September low at 36.51 is seen.
- › Unexpected failure there would put the mid-June low at 36.23 and the 200 day moving average at 36.18 back on the map.
- › Only once the 38.35 September high has been overcome will our medium term forecast become bullish again.

Rouble Basket Daily Chart



Support	Resistance	1-Week View	1-Month View
36.83/79&36.51	37.66&37.75	➔	➔
36.36/33&36.23	37.89&38.00		

Rouble Basket - Weekly Chart

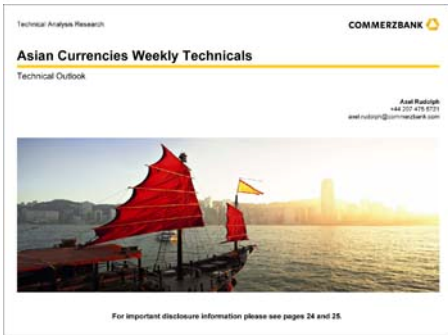
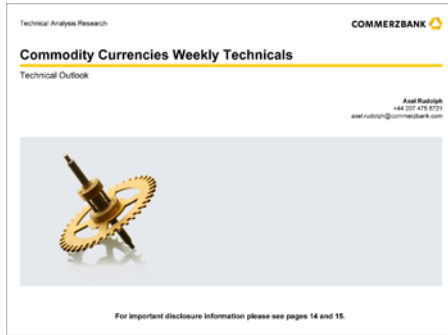
Still trades in the 37.50 region

Rouble Basket Weekly Chart

RUB BASKET (EUR & USD) (RUBBASK Currency)

update





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- Monday:** Daily Market Technicals (FX), Strategic Technical Themes;
- Tuesday:** Daily Market Technicals (FX), Bullion Weekly Technicals;
- Wednesday:** Daily Market Technicals (FX), Commodity Weekly, Commodity Currencies Weekly Technicals;
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