


Chart Watch – FX Markets


Thursday, 17 October 2013

Outlook and Technical Highlights

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<p>2 Technical Analysis Commerzbank</p> <p>Source: Euromoney FX Survey 2013</p> <p>2013  EUROMONEY</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>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  the technical analyst</p>

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Summary

Key Points:

1. The US Dollar is taking another hit but should soon stabilise. The US Dollar Index is to revisit support at 79.87/55.
2. EUR/USD is heading up to the 1.3670/1.3711 major resistance zone where it is likely to stall.
3. A top was formed at the 1.6259 GBP/USD current October high; targets the 1.5752/15 region despite minor bounce.
4. EUR/AUD targets the July 2013 low and November 2011 high at 1.3864/11.
5. NZD/USD nears the .8465/.8500 region which could cap. If not, the .8588/.8627 zone will be targeted.

Technical Trade Ideas

Date	Instrument	Trade Idea	Stop	Take Profit	Outcome	P&L
02.10.2013	AUD/NZD	Buy 1.1350, add 1.1250	1.1210	1.1650	Long 1.1350	-0.1%

Bullish and bearish trending signals

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

Code Name	Long Name	C1	C2	C3	C4	Δ Success	Score
TY1 Comdty	US 10YR Note Future (continuous)	✓	✓	✓	✓	4	4
NZD Curncy	NEW ZEALAND DOLLAR SPOT	✓	✓	✓	✓	4	4
EURSEK Curncy	EUR-SEK X-RATE	✓	✓	✓	✓	4	4
EURNOK Curncy	EUR-NOK X-RATE	✓	✓	✓	✓	4	4
EURCHF Curncy	EUR-CHF X-RATE	✓	✓	✓	✓	4	4
AUD Curncy	AUSTRALIAN DOLLAR SPOT	✓	✓	✓	✓	4	4

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

Code Name	Long Name	C1	C2	C3	C4	Δ Success	Score
SILV Comdty	SILVER SPOT \$/OZ	✓	✓	✓	✓	4	4
JYSW5 Curncy	JPY SWAP 5 YR	✓	✓	✓	✓	4	4
GOLDS Comdty	GOLD SPOT \$/OZ	✓	✓	✓	✓	4	4
EURPLN Curncy	EUR-PLN X-RATE	✓	✓	✓	✓	4	4
EURNZD Curncy	EUR-NZD X-RATE	✓	✓	✓	✓	4	4
EURAUD Curncy	EUR-AUD X-RATE	✓	✓	✓	✓	4	4
BRL Curncy	BRAZILIAN REAL SPOT	✓	✓	✓	✓	4	4

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

<HELP> for explanation.

Enter all values and hit <Go>



Source Bloomberg 08.35 AM

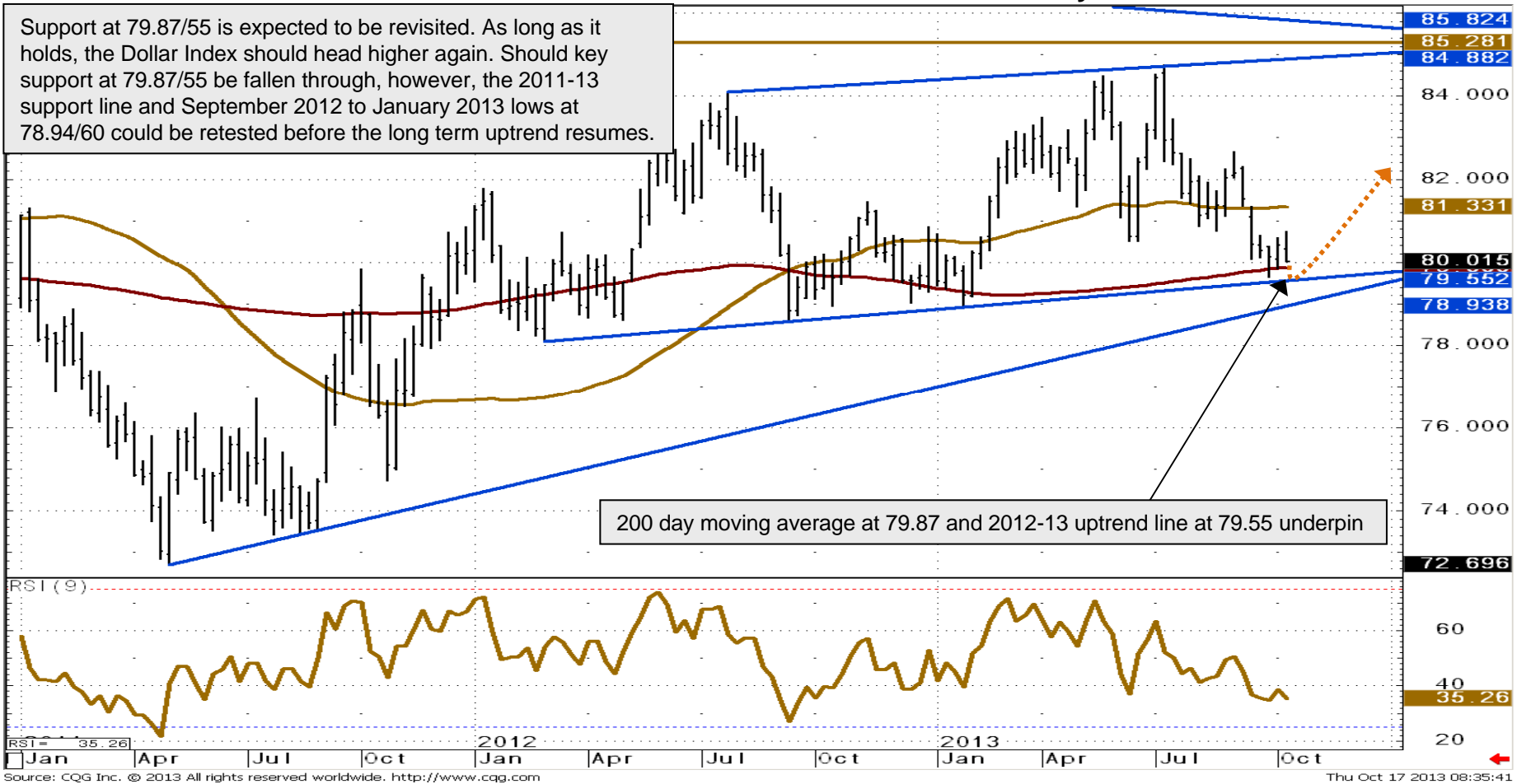


Foreign Exchange:

US Dollar Index - Weekly Chart

Support at 79.87/55 is to be retested but may well hold, if not, 78.94/60 will be targeted

US Dollar Index Weekly Chart



EUR/USD - Daily Chart

Is heading up to the 1.3670/1.3711 major resistance zone

- › EUR/USD's current sharp rally has further to run. It is expected to rise above the current October high at 1.3646 and should reach the major 1.3670/1.3711 resistance area which should cap, though. It is made up of the 2004 high, April 2007 and 2010 highs as well as the January 2013 peak.
- › Upside pressure will be maintained while EUR/USD trades above this week's low at 1.3472.



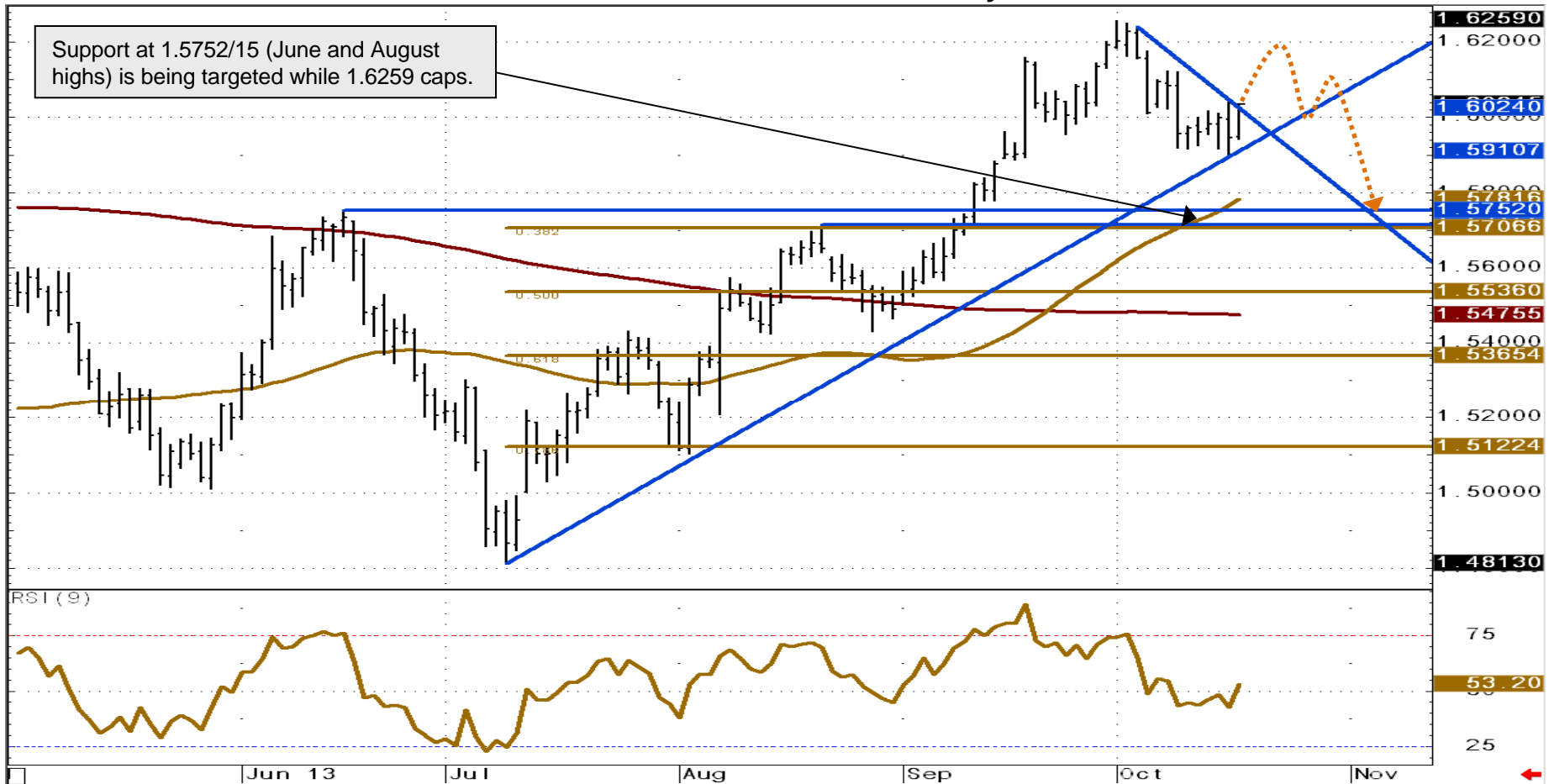
Daily EUR/USD Chart



GBP/USD - Daily Chart

A top was probably formed at the 1.6259 current October high; targets the 1.5752/15 region

GBP/USD Daily Chart



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GBP/USD - Weekly Chart

Formed another top in the 1.6250/1.6400 region which capped since 2011

GBP/USD Weekly Chart



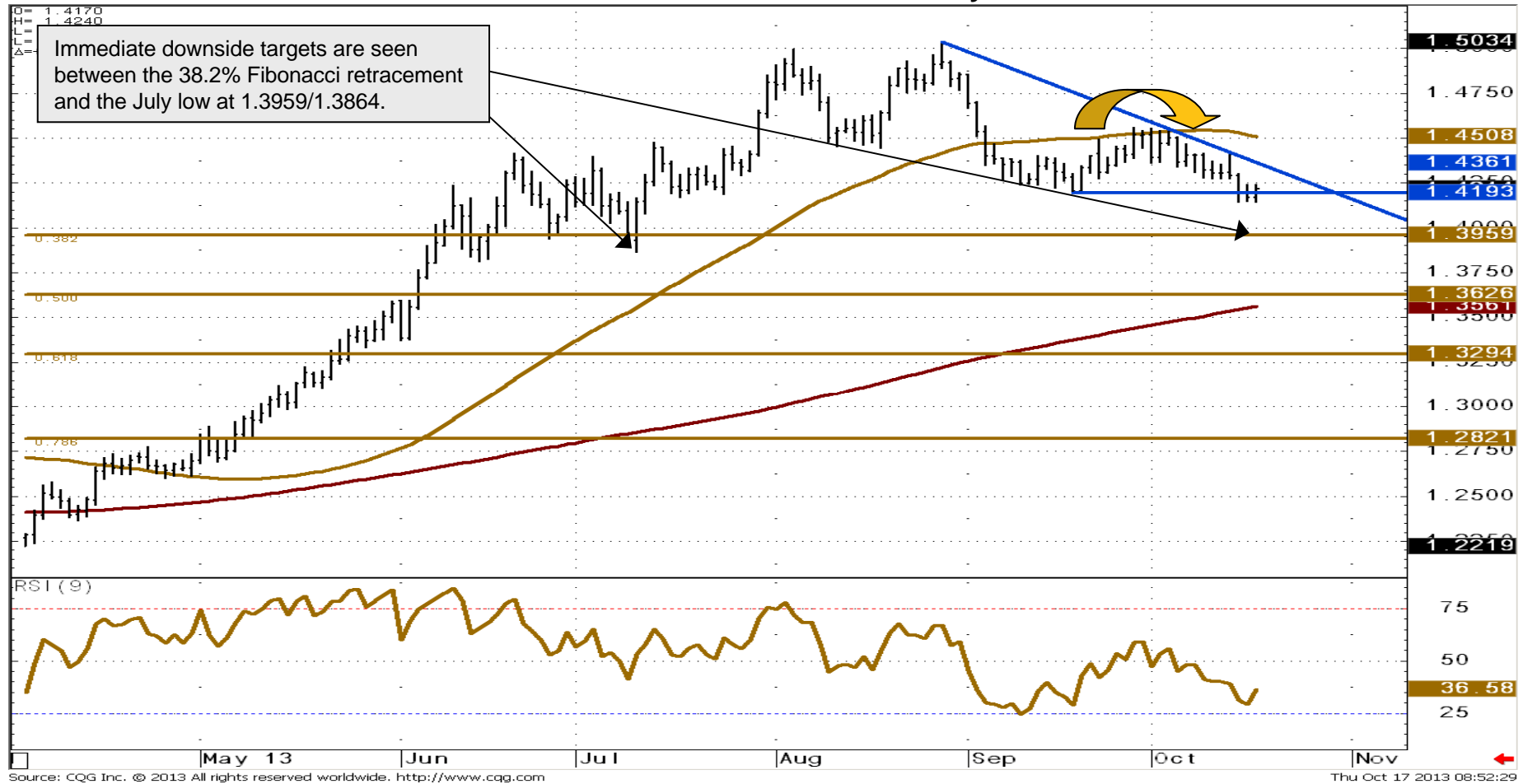
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EUR/AUD - Daily Chart

A interim top was made at 1.4562 in late September; targets the 1.3959 level and then 1.3864

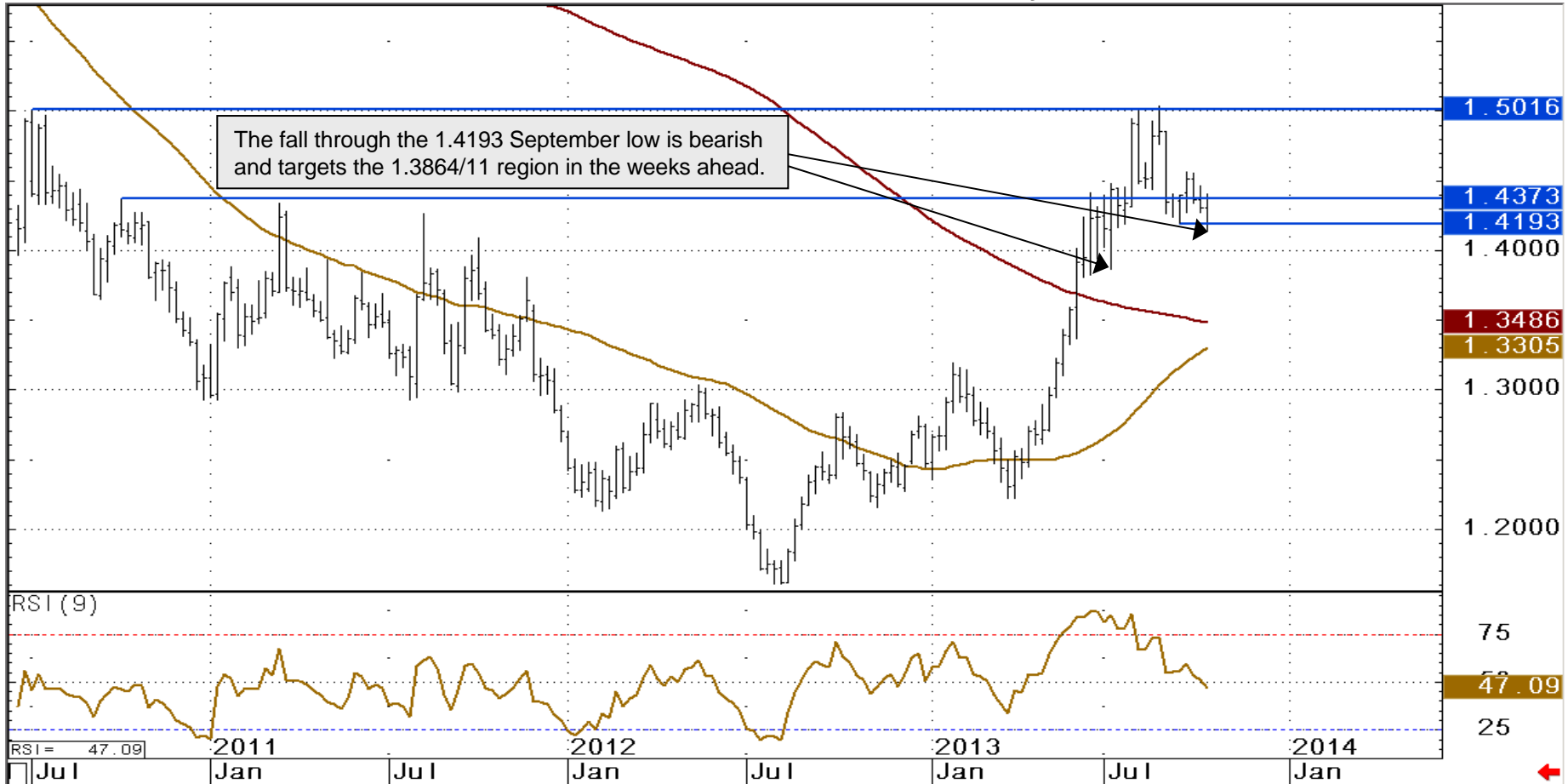
EUR/AUD Daily Chart



EUR/AUD - Weekly Chart

Targets the July 2013 low and November 2011 high at 1.3864/11

EUR/AUD Weekly Chart



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NZD/USD - Daily Chart

NZD/USD nears the .8465/.8500 region which could cap; above it lies the .8588/.8627 zone

- > Not only has NZD/USD broken through its 2013 resistance line at .9395 but it also managed to rise above the September high at .8437.
- > It is thus about to test the 78.6% Fibonacci retracement at .8465 and the .8500 region. In this area the currency pair may well struggle.
- > In case of a more pronounced advance being seen, the .8588 late April high and the 2011-13 resistance line at .8627 could also be reached.
- > We will retain our short term bullish forecast while NZD/USD trades above last week's low at .8232.
- > Unexpected failure there this week would neutralise our view and put the 200 day moving average at .8183 back on the cards.

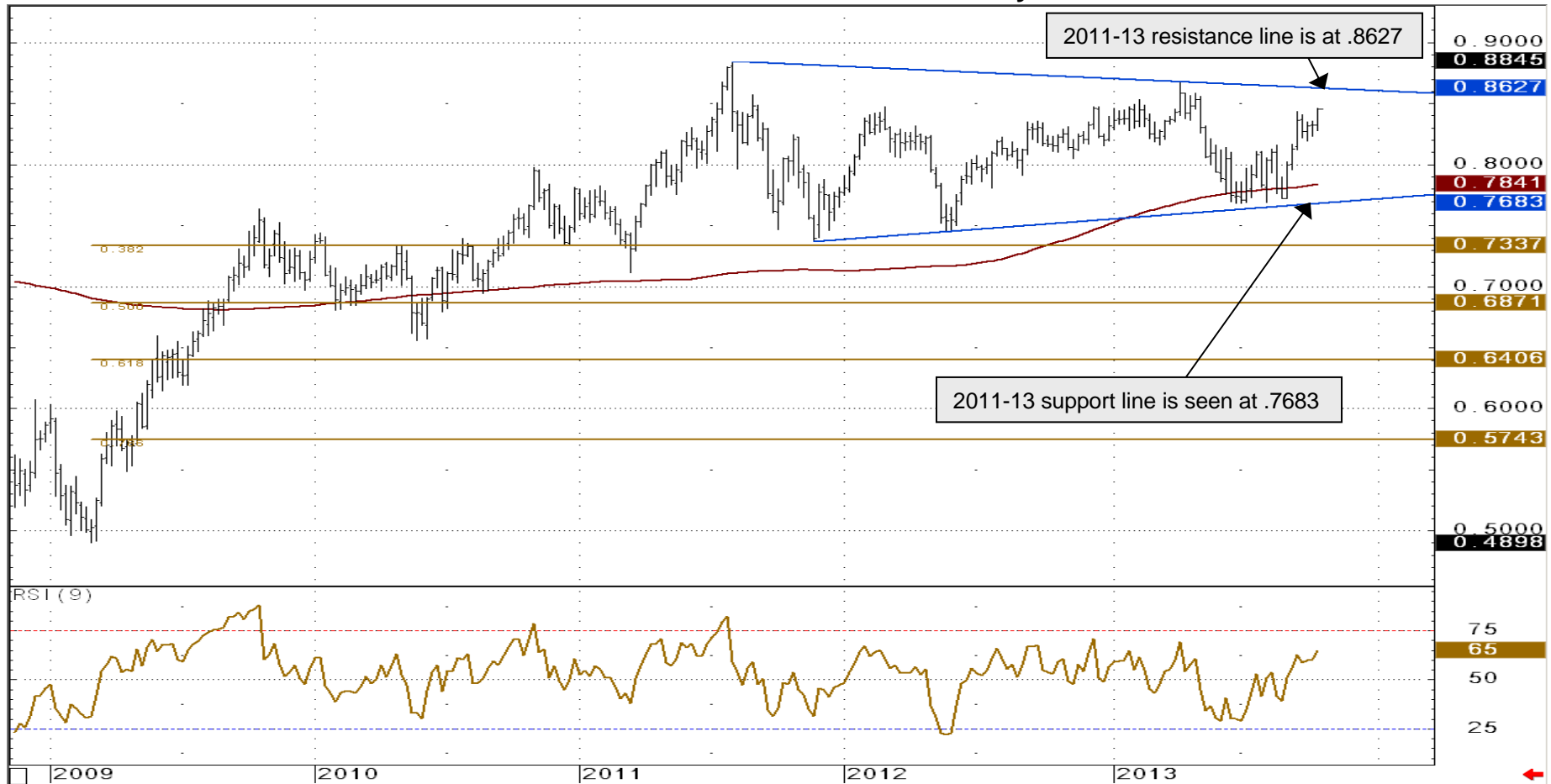
NZD/USD Daily Chart



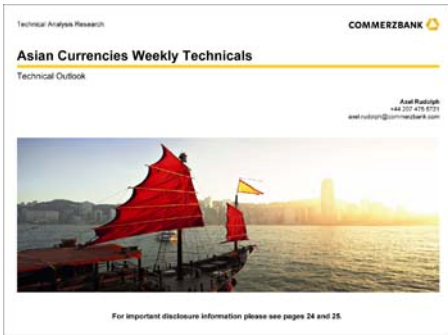
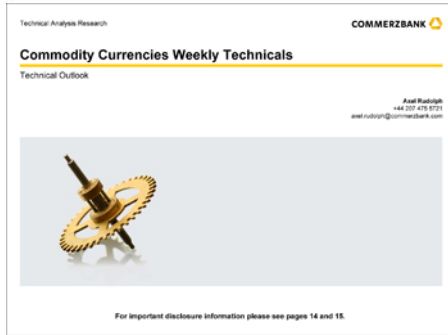
NZD/USD - Weekly Chart

Targets the 2011-13 resistance line at .8627

NZD/USD Weekly Chart



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