






Trade Idea + Strategic Technical Theme Update


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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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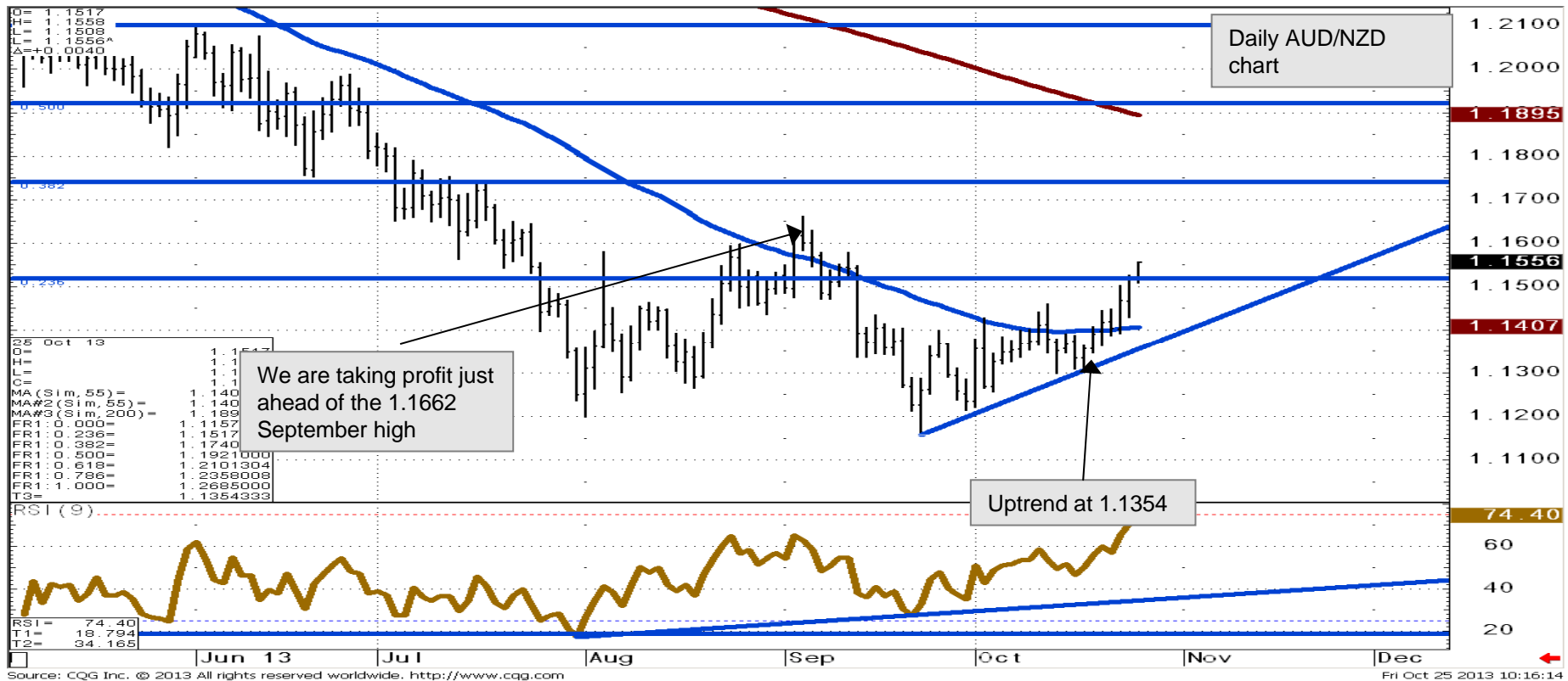
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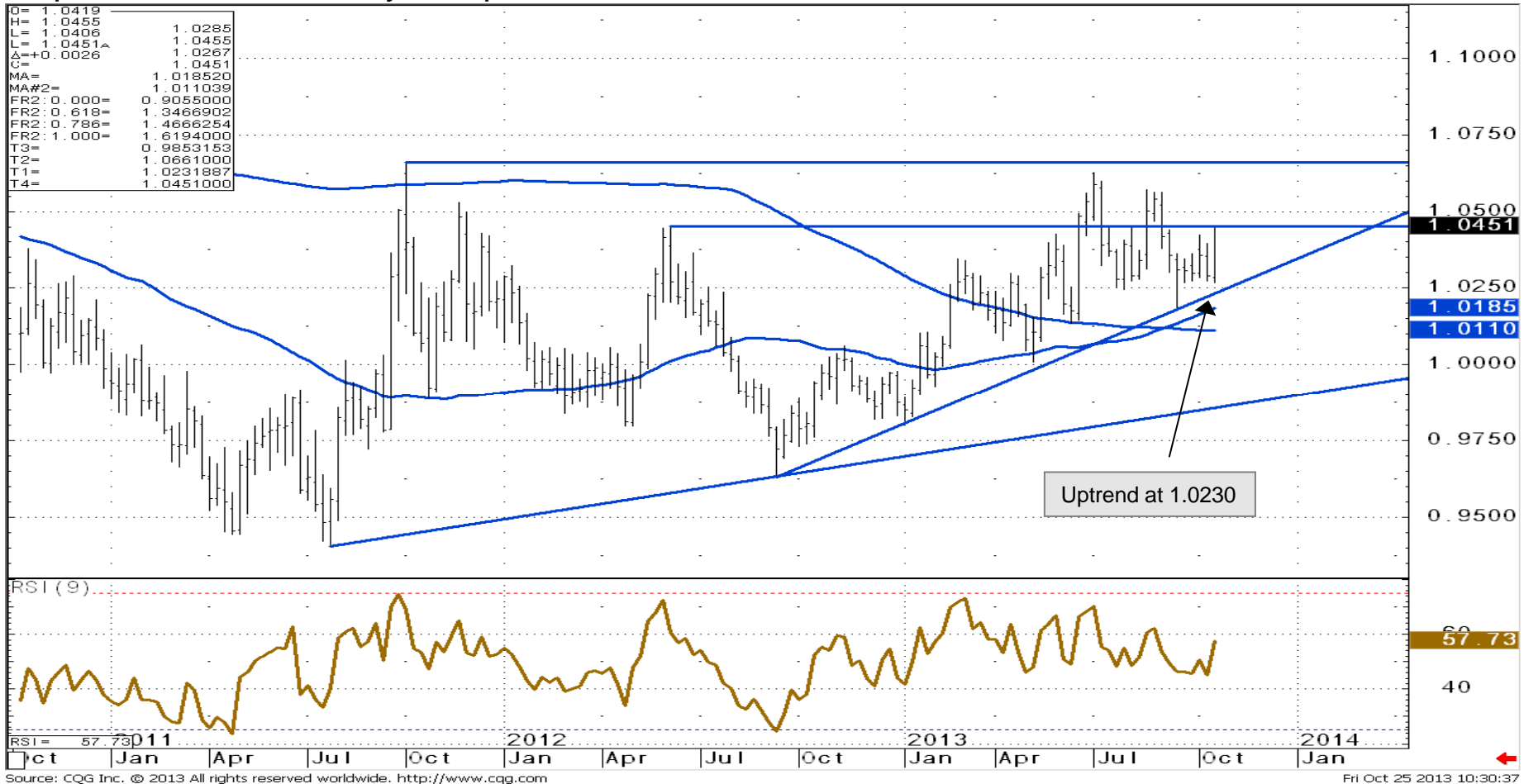
Raise stops on the long AUD/NZD trade idea.

Raise stops from 1.1295 to 1.1425. Take profit at 1.1577.

We originally entered this trade on the 2nd October after we highlighted the daily and weekly divergence of the RSI and also the 13 count on the weekly chart. Our original take profit target was at 1.1650, but having seen an acceleration higher over the past few days we think we would like to lock in some profit at 2%.

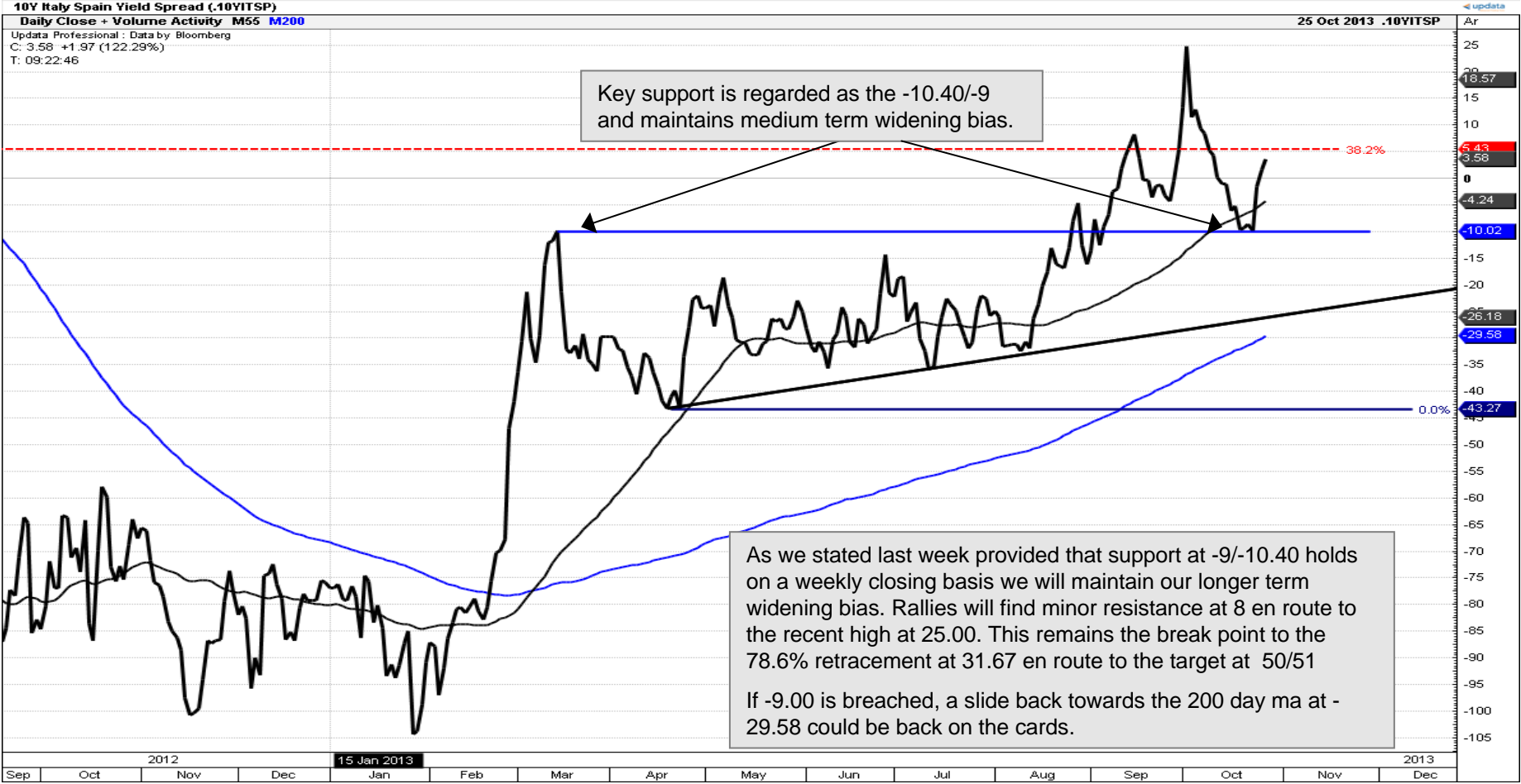


One of our strategic themes from a few weeks ago was to maintain a positive bias on USD/CAD above 1.0210 – we would recommend now raising stops to the 1.0230 one year uptrend



Italy VS Spain 10Y spread




Long Italy 10Y short Spain 10Y trend in place above -10/-9.85 2013 March high







Italy VS Germany 10Y spread continues to hold its 2009-2013 uptrend at 230








Tracking Key Technical Themes - FX

Date	Theme	Stop on view/Target	Additional Comment	Outcome
25.09.2013	GBP/USD approaching its 2009-2013 downtrend at 1.6321. We would allow for initial failure.	Stop 1.6370		
02.10.2013	AUD/NZD 2 year down move is reversing	Positive bias above 1.1150	25.10.2013 Long 1.1350, raise profit stop to 1.1425. TP 1.1577	
09.10.2013	USD/CAD positive above 1.0210	Target 1.0600	25.10.2013 Raise stop to 1.0230.	




Tracking key Technical Themes - Fixed Income

Date	Theme	Stop on view/Target	Additional Comment	Outcome
02.10.2013	Bund is failing ahead of the 140.95 end of August high and should remain capped by 141.00/90 (downtrend and Fibo).	Lower stop from 142 to 141.90	Negative longer term since end of May (price circa 144/145)	
06.09.2013	Sovereign spreads – Italy 10Y VS Spain 10Y. Target is 0.50/0.52 and the initial resistance at 0.31.	Target 0.50. Stop -11.50	Call made when price circa -7. Currently corrective (narrowing).	
06.09.2013	Italy 10Y Vs German 10Y - Seeing reversal ahead of the 2009-2013 uptrend at 228. Look for a break above the 200 day ma at 275 to confirm upside intent to 286 (55 week ma).	Stop 228, target 275	Call made circa 240	
16.09.2013	US 2-10 swap curve. Short term narrowing should halt in the 2.21 region.	Market has reached this support	Needs to regain the 55 day ma at 2.377 to confirm widening	

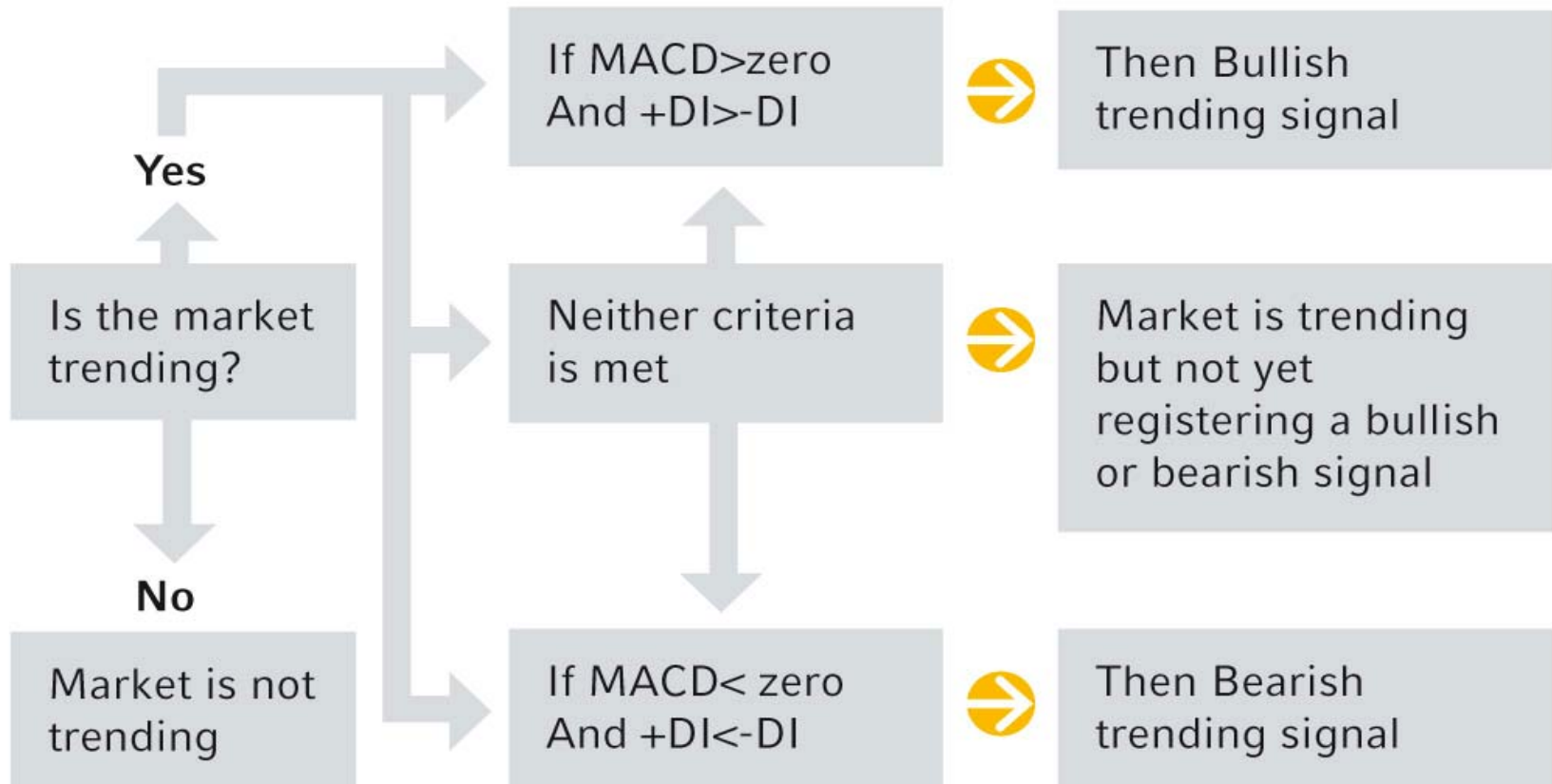
Historical Key themes

Date	Theme	Stop on view/Target	Additional Comment	Outcome
25.09.2013	US Dollar approaching key support. Sell off by the US Dollar Index is at key support at 79.835/59 but should soon head higher again.	Stop 79.20	Make or break time for the dollar. Take profit 80.50. Profit target met.	
April 2013	Gold we neutralise this bearish call date 09.10.2013 and recommend exiting shorts		Major bearish call was made at the beginning of April 2013 when gold was trading at 1560	
09.10.2013	Neutralise the longer term view on USD/JPY as we are concerned regarding the longer term impact of the Nikkei on price			
25.09.2013	EUR/USD we are looking for failure ahead of the 1.3670/1.3711 long term pivot.	Stop 1.3715	Stopped on view – strength looks set to extend further to 1.3833, potentially 1.3958/1.4002.	
02.10.2013	Maintain a negative bias to EUR/GBP longer term.	Long term stop on view .8738. Target .7750. Short term stop is .8500	Maintain negative bias below .8500, just stopped, but view remains still longer term negative	

Historical Key themes

Date	Theme	Stop on view/Target	Additional Comment	Outcome
16.09.2013	EUR/AUD - An interim top was made at 1.4562 in late September; targets the 1.3959 level and then 1.3864	Target 1.3959, stop 1.4410	23.10.2013 – take profit on short EUR/AUD positions (the market has rallied since)	
25.09.2013	US T-Notes - Looking for failure 126-30/127-08.	200 day ma (127-12), eroded, short term outlook neutralised	Negative longer term since end of May (price circa 129-00)	
02.10.2013	Credit charts are looking perkier i.e. ITRAXX 5Y above 400 again, suggests some credit market weakness.	Stop on view 360. TP circa the 200 day ma (426)	Stopped – fallen to new 5 year lows	

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.

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Daily Market Technicals
FX Outlook

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Strategic Technical Themes
Weekly Outlook and Technical Highlights

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Technical Outlook

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Bullion Weekly Technicals
Technical Outlook

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Commodity Currencies Weekly Technicals
Technical Outlook

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Asian Currencies Weekly Technicals
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- Wednesday:** Daily Market Technicals (FX), Commodity Weekly, Commodity Currencies Weekly Technicals;
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- Friday:** Daily Market Technicals (FX), Fixed Income Weekly Technicals.

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