

# FX Emerging Markets Weekly Technicals

Monday, 13 January 2014

## Technical Outlook

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

Emerging Market currencies have regained some of their recent losses vs. the Euro and USD

Market	Short term view (1-3 weeks)
EUR/PLN:	Drops back towards its December 4.1283 low which should continue to underpin.
EUR/HUF:	Comes off resistance at 300.11/301.25 and drops towards 297.09/296.99 but stays sidelined.
EUR/CZK:	Gradually drifts lower towards the late December low at 27.31.
EUR/BRL:	Still consolidates below the 3.2969 early January high.
USD/BRL:	Remains sidelined below its early January spike higher at 2.4082 but still looks longer term bid.
EUR/TRY:	Continues to be bullish and should soon exceed its December all-time high at 3.0148.
USD/TRY:	Still has its all-time high at 2.1948 in focus and remains immediately bid above 2.1450.
USD/MXN:	Is still expected to be sidelined between 13.3296 and 12.7484.
USD/ZAR:	Remains within an uptrend channel but short term consolidates below its 10.8360 January high.
Rouble Basket:	Remains sidelined below its current January peak at 38.95 and is to stall ahead of 38.99/39.01.

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

Emerging market currencies have appreciated versus the Euro post US non-farm payroll data

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

[update](#)

Daily PLNEUR Rebase HUF EUR Curncy 31/12/13 Rebase CZK EUR Curncy 31/12/13

13 Jan 2014 PLNEUR

Ar

Update Professional : Data by Bloomberg

C: 0.24067 -0.00035 (-0.14%)

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2014 performance to date

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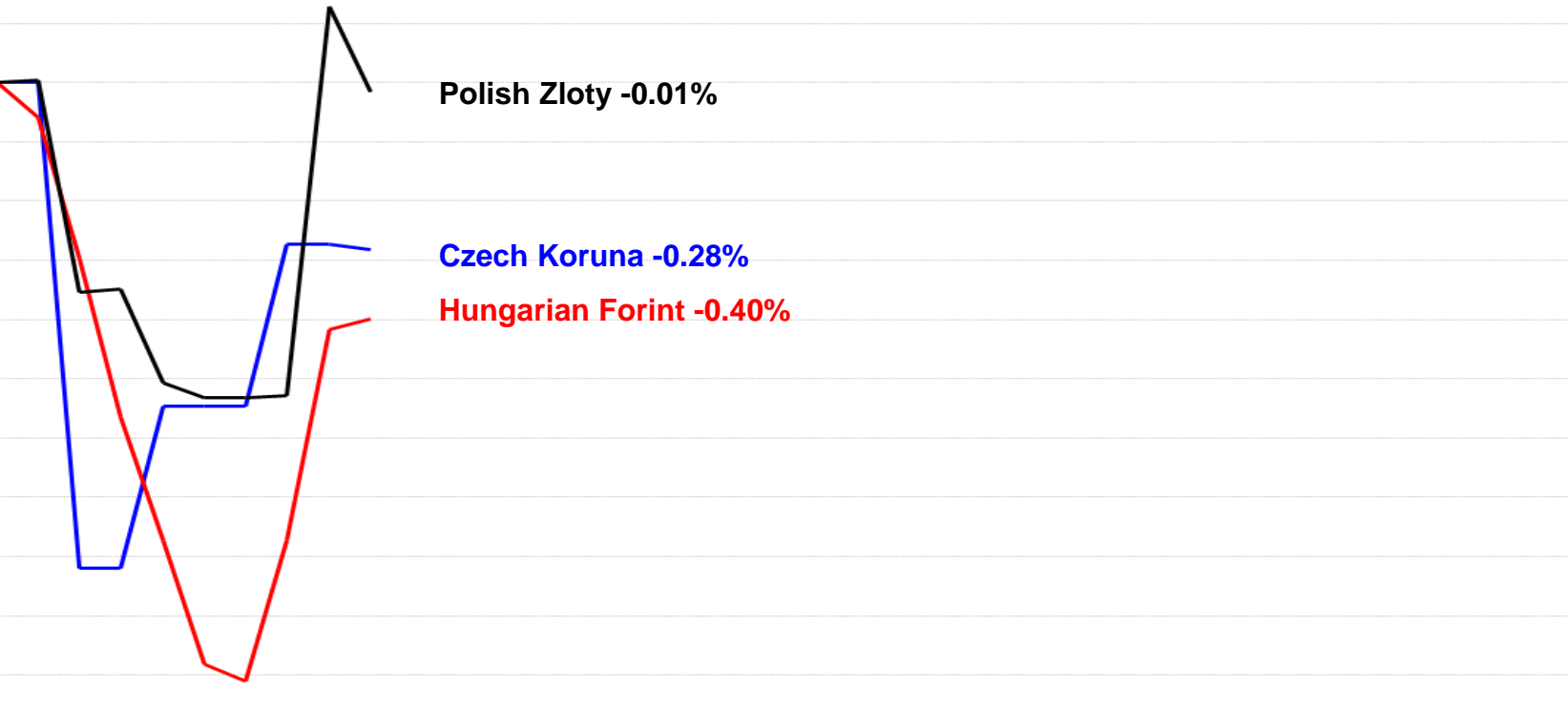
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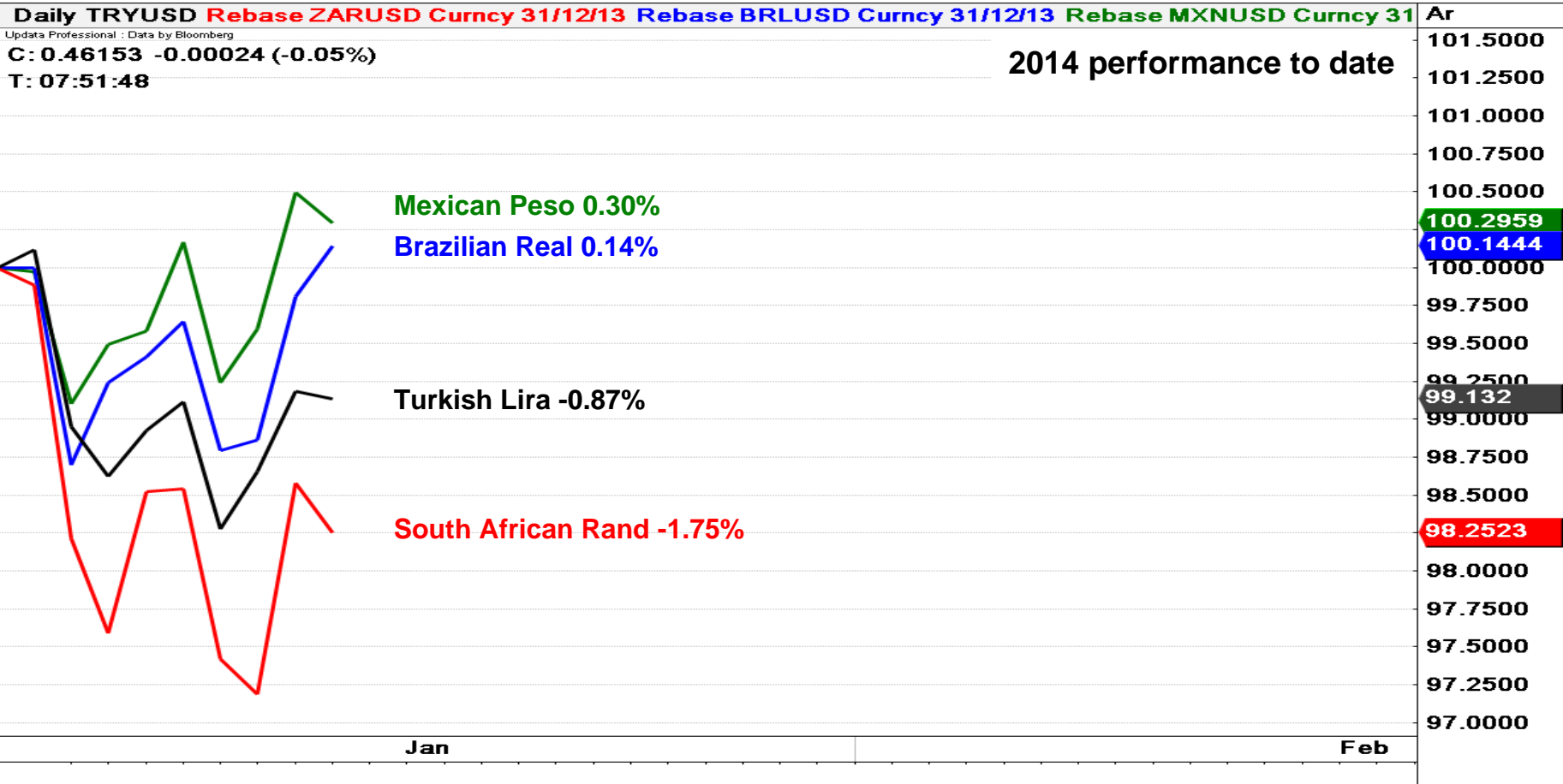
Feb

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

The Mexican Peso and Brazilian Real are back in positive territory versus the US Dollar

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

[update](#)



# EUR/PLN - Daily Chart

Drops back towards its December 4.1283 low which should continue to underpin

- › EUR/PLN's post non-farm payroll data decline has practically taken it back to the September low at 4.1443 around which it tries to stabilise.
- › While the currency pair remains above the next lower December trough at 4.1283 we will retain our medium term neutral outlook.
- › Only if a daily close below 4.1283 were to be made, would we change our medium term outlook to a bearish one with the 4.0928 April 2013 low and probably also the 4.0541/4.0284 August and December 2012 lows being back in the picture.
- › Resistance is seen between the 55 day moving average at 4.1796 and Friday's high at 4.1926 and also between the 2013-14 resistance line and the 200 day moving average at 4.2059/85.
- › For now we keep a neutral view.

EUR/PLN Daily Chart



Support	Resistance	1-Week View	1-Month View
4.1447/43	4.1688&4.1796	➔	➔
4.1292/83	4.1905&4.2059		

# EUR/PLN - Weekly Chart

Still hovers above the 2011-13 support line at 4.1305

EUR/PLN Weekly Chart



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# EUR/HUF - Daily Chart

Comes off resistance at 300.11/301.25 and drops towards 297.09/296.99 but stays sidelined

- › EUR/HUF's bounce off its December trough at 296.14 has taken it to the 300.11/301.25 resistance area, the 50% retracement and the 61.8% Fibonacci retracement of the December sell-off at 300.11/301.05 and last week's high, which provoked a reversal back towards the three month support line and the 200 day moving average at 297.09/296.99.
- › During much of the first quarter of this year it is probable that EUR/HUF will trade within the confines of its January 2013 peak at 308.65 on the one hand and the 291.82 October 2013 low on the other hand.
- › We believe that an interim high and lows were made at 304.08 and 296.14 in December and that further range trading within these confines remains on the cards.
- › Only if a daily close below 296.14 were to be made, would we change to a bearish outlook with the October 2013 low at 291.82 then being back on the map.

Support	Resistance	1-Week View	1-Month View
297.09/296.99	300.11/301.25	➔	➔
296.14&295.03	302.38/304.08		

EUR/HUF Daily Chart



# EUR/HUF - Weekly Chart

Still flirts with the 50% retracement at 299.34

EUR/HUF Weekly Chart



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# EUR/CZK – Daily Chart

Gradually drifts lower towards the late December low at 27.31

- › EUR/CZK's is slowly coming off the 61.8% Fibonacci retracement of the 2009-2011 decline at 27.48 and the 27.50 area and is slowly drifting back towards the late December low at 27.31.
- › Support below 27.31 comes in around the 27.18 November 21 low but it should take several weeks to get there, if at all.
- › Still further support is to be found at the minor psychological 27.00 level.
- › Minor resistance can still be seen around the March 2007 low at 27.61.
- › Above the December peak at 27.74 sits the August 2006 low at 27.95.
- › We expect to see further range trading with a slightly bearish short term bias.

Support	Resistance	1-Week View	1-Month View
27.31&27.18	27.48/50	➔	➔
27.10&27.00	27.61&27.74		

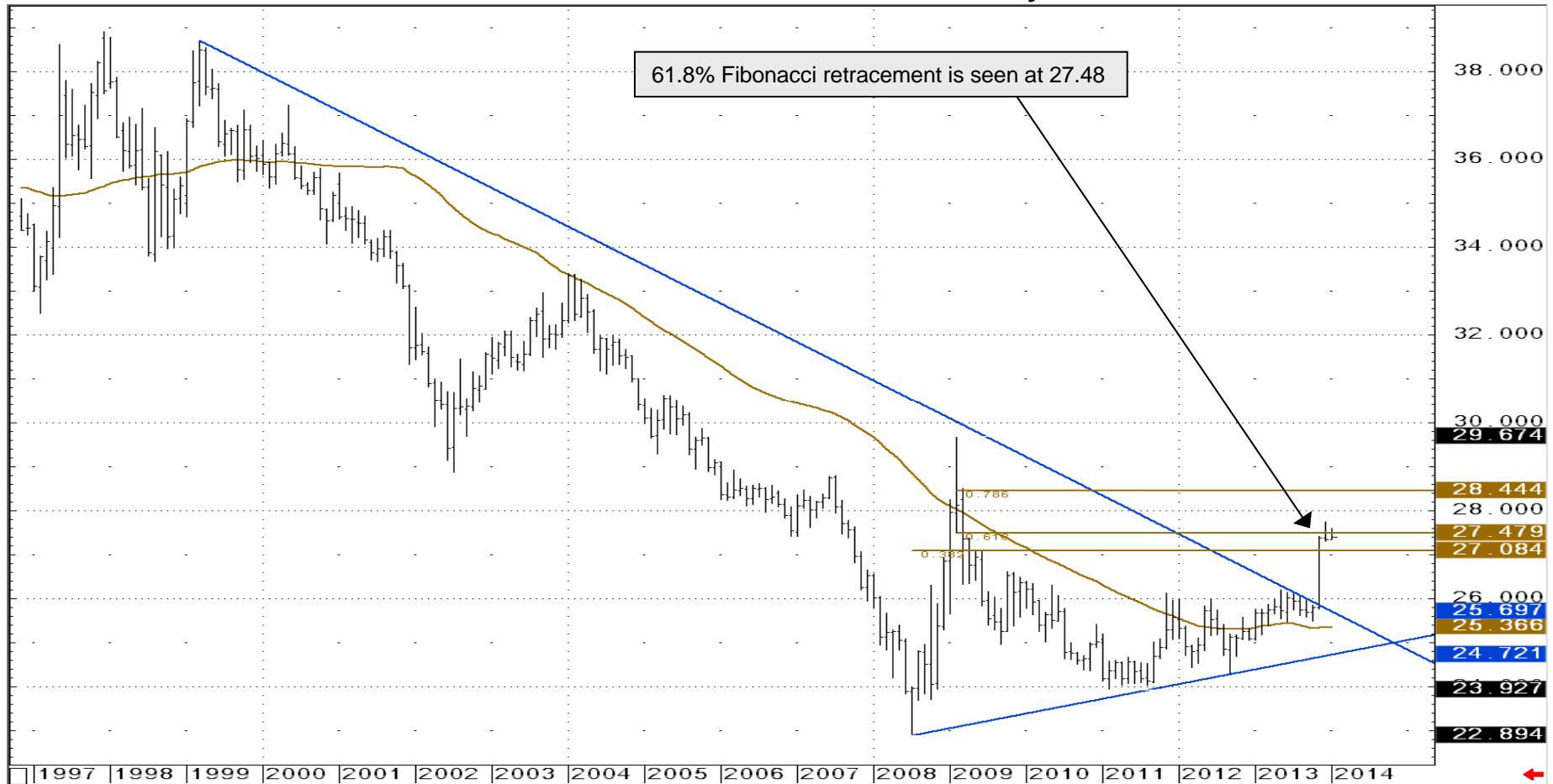
EUR/CZK Daily Chart



# EUR/CZK - Monthly Chart

Still oscillates around the 61.8% Fibonacci retracement at 27.48

EUR/CZK Monthly Chart



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Mon Jan 13 2014 08:41:16

# EUR/BRL - Daily Chart

Still consolidates below the 3.2969 early January high

- › EUR/BRL briefly made a five year high at 3.2969 early January before twice testing the four month support line at 3.2195 over the past week or so.
- › We expect the recent 3.2969 high, together with the 3.3000 region to cap the currency pair but at the same time expect it to be supported by the 3.1951/3.1684 December lows.
- › Short term range trading should thus continue this week.
- › Having said that, while EUR/BRL stays above its 3.0381 November 19 low, an upward bias will remain in place.
- › Should a, for now, unexpected rise and daily close above the 3.3000 level be made, the early December 2008 high at 3.3141 and the October 2008 high at 3.3487 will be in the picture.

EUR/BRL Daily Chart



Support	Resistance	1-Week View	1-Month View
3.2195/3.1951	3.2811/3.3000	➔	➔
3.1801/3.1687	3.3141&3.3487		

# EUR/BRL - Weekly Chart

Remains within a long term uptrend but may well have formed an interim high at 3.2969

EUR/BRL Weekly Chart



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Mon Jan 13 2014 09:11:03

# USD/BRL - Daily Chart

Remains sidelined below its early January spike higher at 2.4082 but still looks longer term bid

- › USD/BRL trades back below the 78.6% Fibonacci retracement at 2.3888 and fell short of its early January high at 2.4082 last week.
- › Further range trading between 2.4082 and the 38.2% Fibonacci retracement of the October-to-December high at 2.3002 is expected to be seen this week with the latter level being in focus over the next few days.
- › Over the course of the next few weeks the 2.4082 current January high should be overcome, though, with the August peak at 2.4545 then being back in the picture.
- › Only an unexpected slip and daily close below the 2.2500 low would void our medium term bullish view and put the 2.2089 July low back on the map.
- › More range trading with a short term bearish bias is on hand for this week, though.

USD/BRL Daily Chart

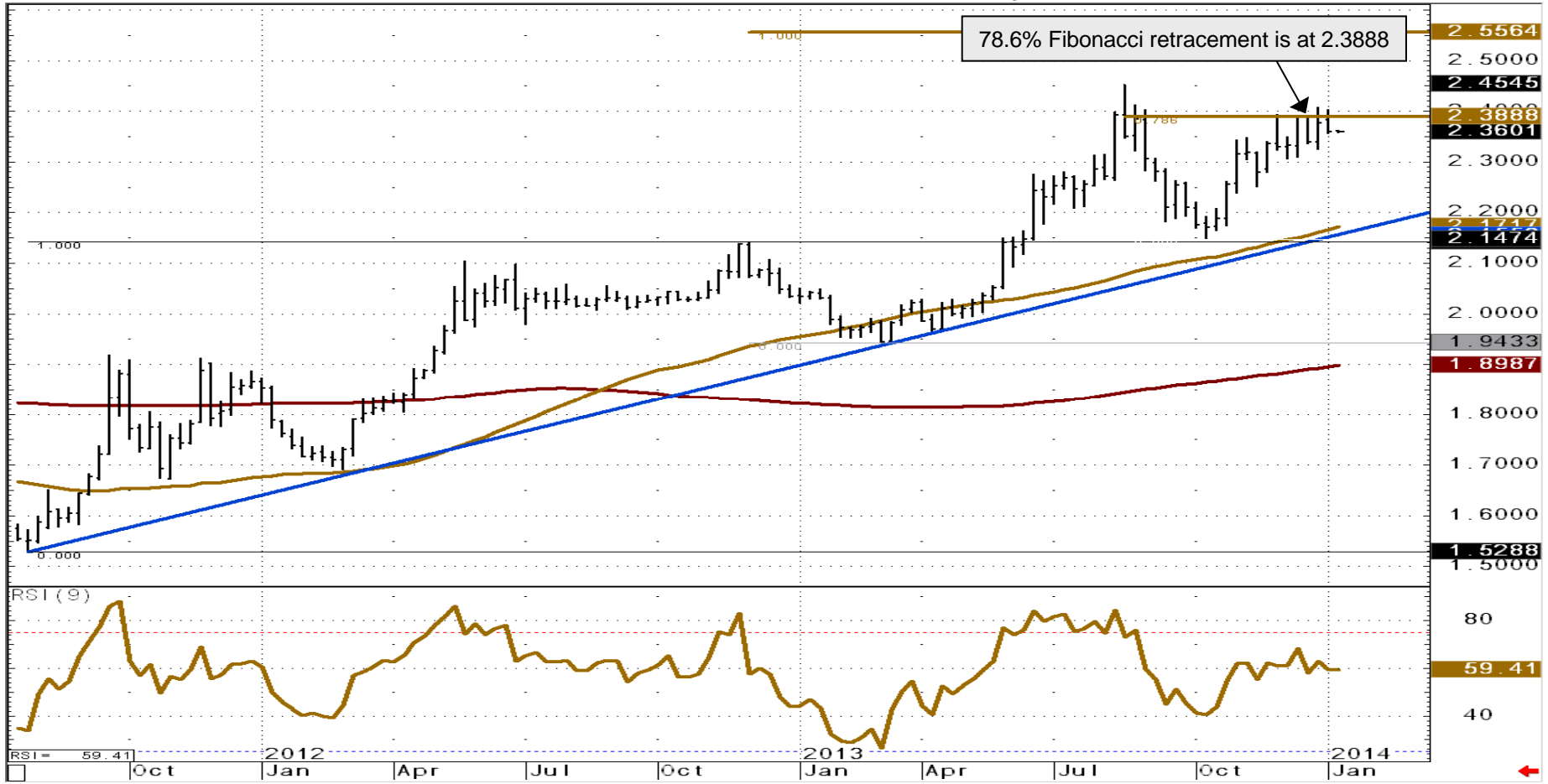


Support	Resistance	1-Week View	1-Month View
2.3506&2.3250	2.3947/2.4082	➔	➔
2.3093/52	2.4274&2.4545		

# USD/BRL - Weekly Chart

Comes off the 78.6% Fibonacci retracement at 2.3888

USD/BRL Weekly Chart



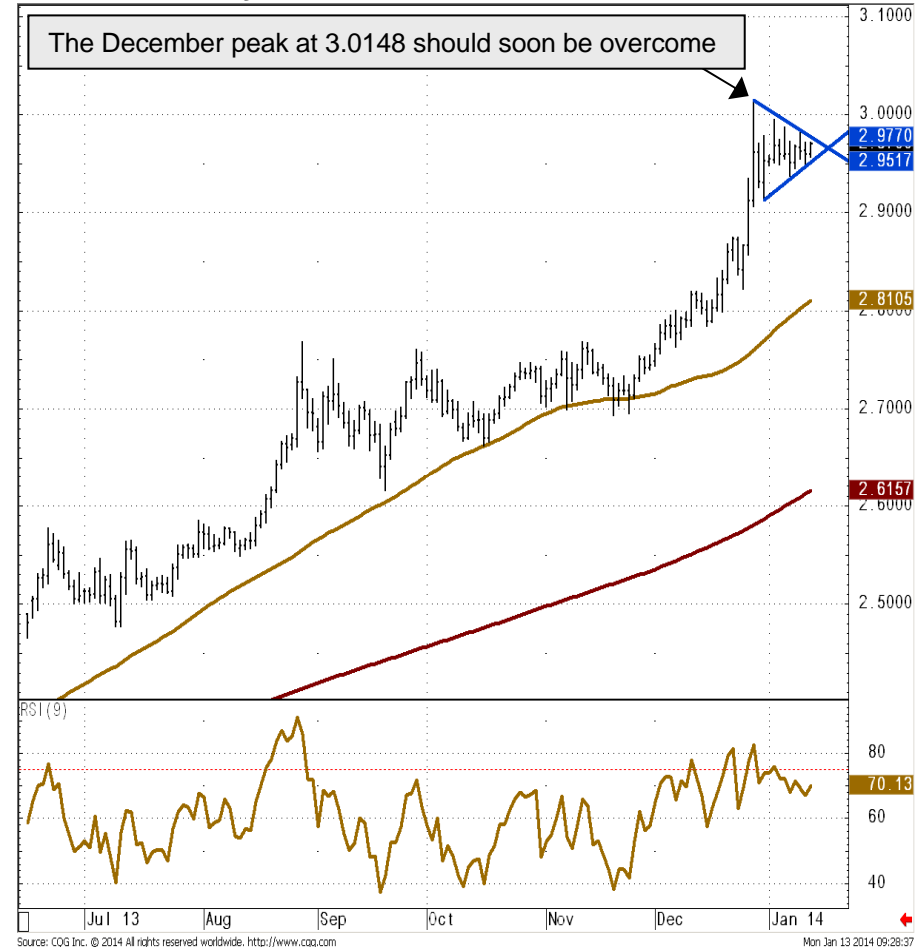
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# EUR/TRY - Daily Chart

Continues to be bullish and should soon exceed its December all-time high at 3.0148

- › In December of last year EUR/TRY briefly made a new all-time high at 3.0148 and has been evolving in a small continuation triangle since then.
- › The odds still favour a continuation of the current advance and a rise above the 3.0148 high while no daily chart close below the late December low at 2.9135 is being made.
- › Upside targets are seen around the minor psychological 3.0500 level and at the 0.025 x 3 daily Point & Figure vertical upside target at 3.0750.
- › We will retain our medium term bullish forecast while EUR/TRY stays above its 2.6931 November low and our shorter term bullish outlook while above the December 25 low at 2.8218.

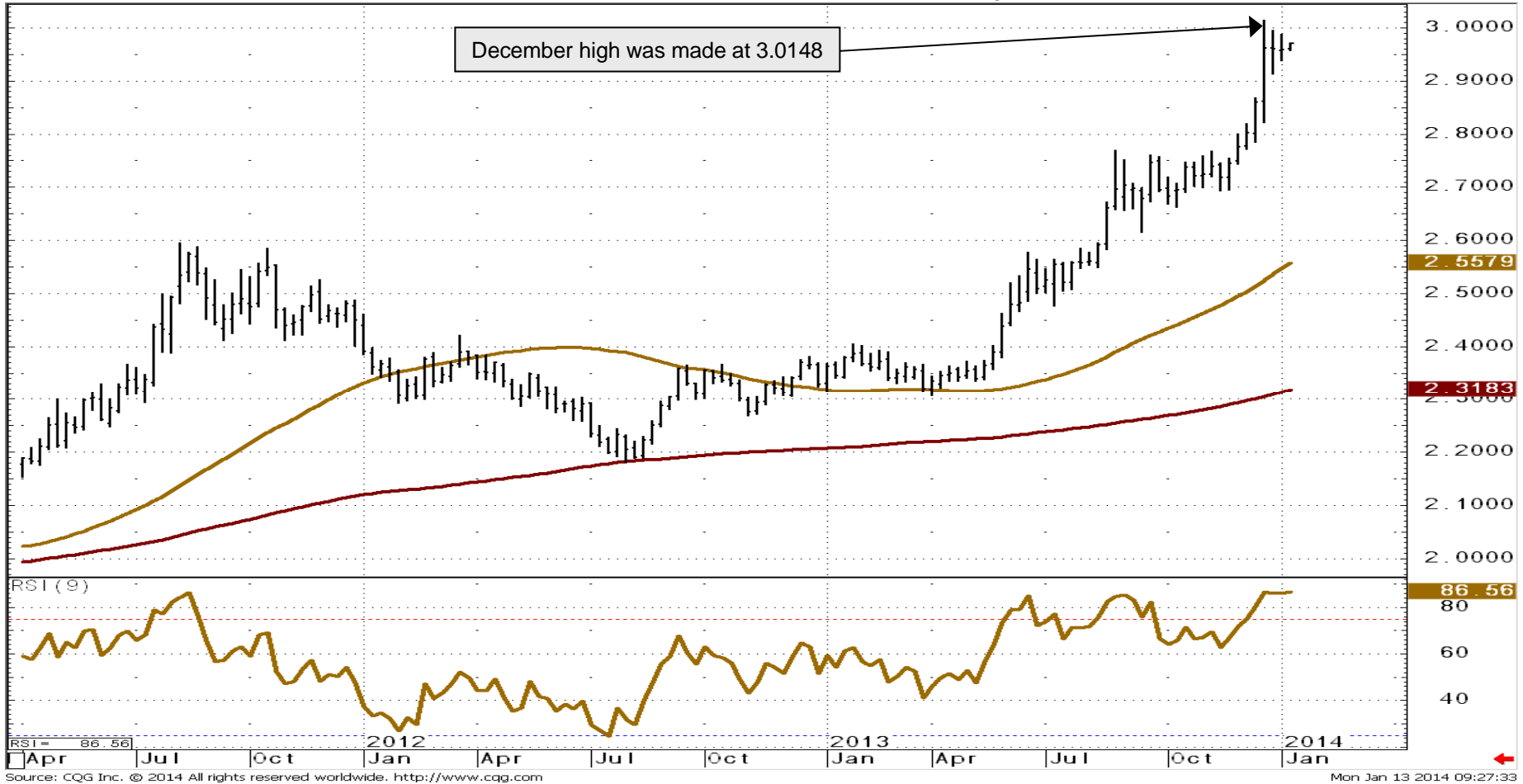
EUR/TRY Daily Chart



# EUR/TRY - Weekly Chart

Still grapples with the psychological 3.0000 mark

EUR/TRY Weekly Chart



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# USD/TRY - Daily Chart

Still has its all-time high at 2.1948 in focus and remains immediately bid above 2.1450

- › USD/TRY still range trade below its early January all-time high at 2.1948 which remains in focus, though.
- › A rise above the 2.1948 level will not only have the minor psychological 2.0000 level in its sights but also the 0.001 x 3 hourly vertical Point & Figure upside target at 2.2240.
- › Should this resistance level be exceeded, we will have to allow for the next higher 2.2681/2.2739 Fibonacci cluster to be reached. It is made up of the 100% Fibonacci extensions of the 2010-11 rise, projected higher from the 2012 low and the 2012-September 2013 advance, projected upwards from the September 2013 low. Please see the weekly chart on the following page.
- › We will retain our immediately bullish outlook above the current January low at 2.1450 and our short term bullish view while USD/TRY trades above its 2.1125 late December low. Our medium term bullish view will be kept while it stays above its late November low at 1.9939.

USD/TRY Daily Chart

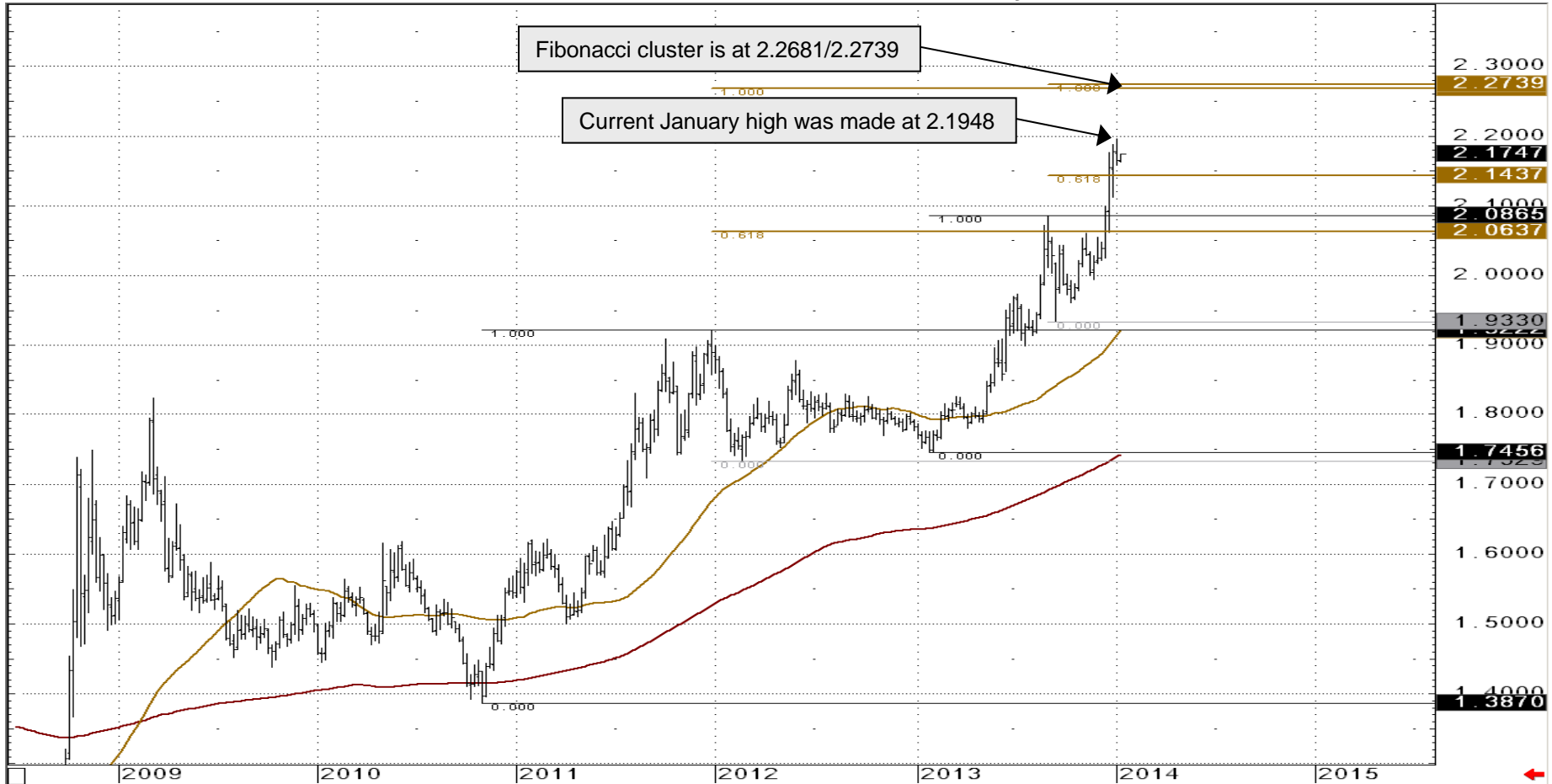


Support	Resistance	1-Week View	1-Month View
2.1582/2.1450	2.2000&2.2240	➔	➔
2.1125&2.0989	2.2681/2.2739		

# USD/TRY - Weekly Chart

The currency pair could still reach the 2.2681/2.2739 Fibonacci cluster

USD/TRY Weekly Chart



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Mon Jan 13 2014 09:32:30

# USD/MXN - Daily Chart

Is still expected to be sidelined between 13.3296 and 12.7484

- › USD/MXN's swift drop post the non-farm payroll data on Friday has so far taken it to the 12.9637 level which is still quite far above the 2013-14 support zone at 12.8605.
- › Together with the November and December lows and the 200 day moving average at 12.8513/12.8029 it should offer strong support, if reached at all.
- › Resistance now sits between the 13.1582/13.1641 early January highs and can also be seen along the five month resistance line at 13.1983.
- › Above the resistance line lies the 13.2708/13.3296 resistance area which consists of the October, November and December highs.
- › We expect to see more range trading between the November peak at 13.3296 and the October low at 12.7484 in the weeks ahead.

USD/MXN Daily Chart



Support	Resistance	1-Week View	1-Month View
12.8605/12.851	13.158/13.164	➔	➔
12.830&12.803	13.198&13.271		

# USD/MXN - Weekly Chart

Remains within its triangle formation and we thus retain our medium term neutral forecast

USD/MXN Weekly Chart



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# USD/ZAR - Daily Chart

Remains within an uptrend channel but short term consolidates below its 10.8360 January high

- › Last week USD/ZAR shot up to 10.8360, a level last seen in October 2008, before briefly dipping back to its one month uptrend channel support line.
- › While the currency pair remains above the 10.5763 December high on a daily chart closing basis, immediate upside pressure should be maintained with the 78.6% Fibonacci retracement of the 2008-11 decline at 10.7306 and the November 2008 high at 10.7900 expected to be revisited and eventually overcome.
- › A rise and daily close above the current January high at 10.8360 will have the psychological 11.0000 level in view and perhaps also the 2008 peak at 11.8708.
- › We will retain our short term bullish forecast while USD/ZAR trades above the late December low at 10.4069 and our medium term bullish outlook while it stays above the 10.2175 mid-December low. We will keep our long term bullish view while it stays above its October low at 9.7194.

USD/ZAR Daily Chart

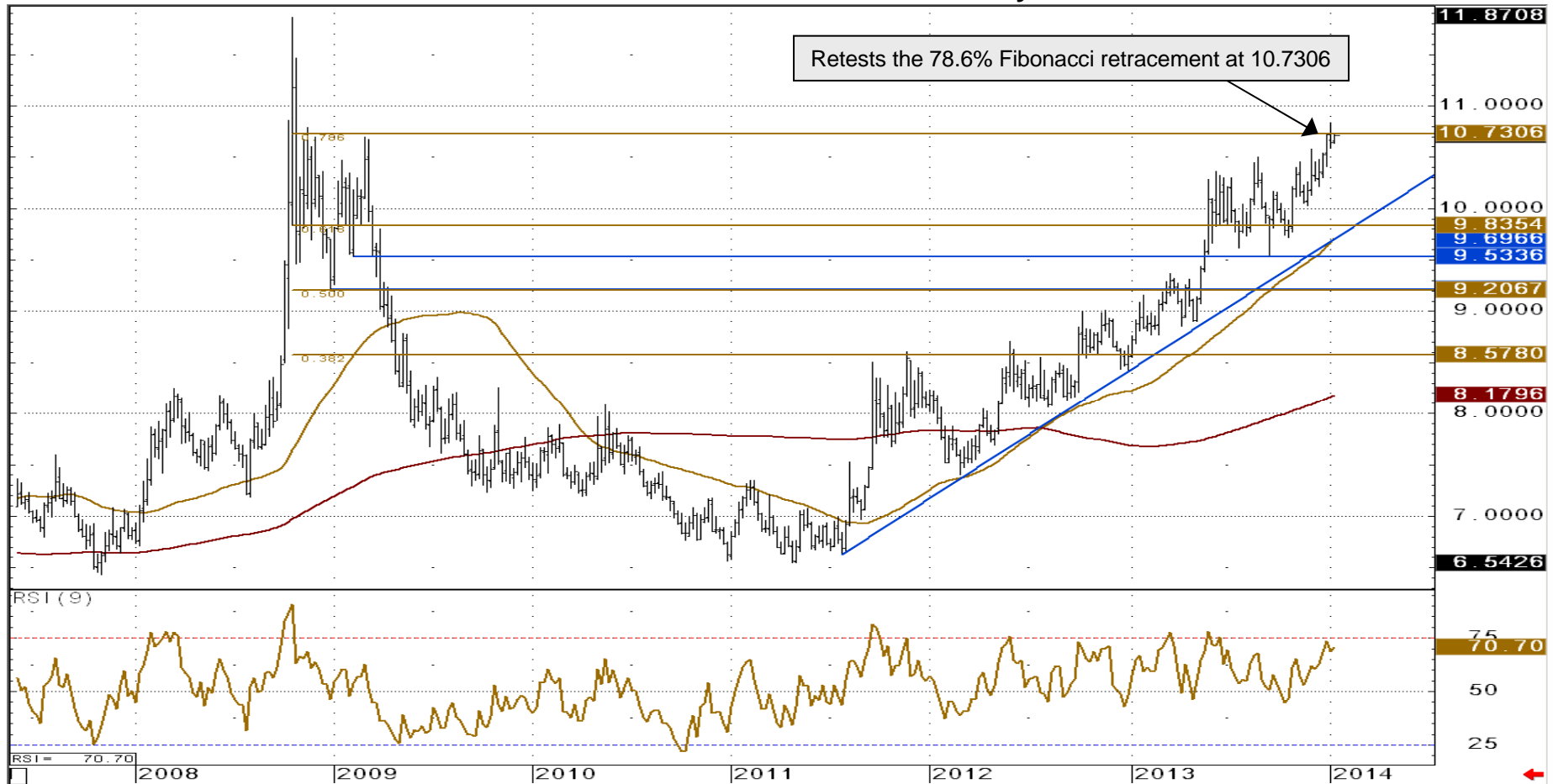


Support	Resistance	1-Week View	1-Month View
10.6018/10.576	10.731/10.790	➔	➔
10.4764/10.459	11.00&11.8708		

# USD/ZAR - Weekly Chart

Revisits the 78.6% Fibonacci retracement of the 2008-11 decline at 10.7306

USD/ZAR Weekly Chart



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# Rouble Basket - Daily Chart

Remains sidelined below its current January peak at 38.95 and is to stall ahead of 38.99/39.01

- › The rouble basket rose to 38.95 on the first day of January before giving back some of its recent gains and slipping to 38.33 before being sidelined in a narrow band.
- › We are of the opinion that another top has probably been formed, as has been seen over the past few years, or that it will be formed in the 38.95/39.01 region. It not only contains the current January high but also the July and August 2009 highs.
- › An overall bullish upside bias will remain while the rouble basket trades above the current January low at 38.33.
- › Our short term view will remain bullish while the rouble basket remains above the 55 day moving average at 38.16 and the 37.93 December low point.
- › Medium term we will keep our neutral forecast, however, as long as no two daily chart closes above 39.01 are made. For this week we have also neutralised our forecast.

Support	Resistance	1-Week View	1-Month View
38.33&38.24/16	38.69/72	➔	➔
38.12&37.93	38.95/39.01		

## Rouble Basket Daily Chart



# Rouble Basket - Weekly Chart

Is pushing towards its early January peak at 38.95

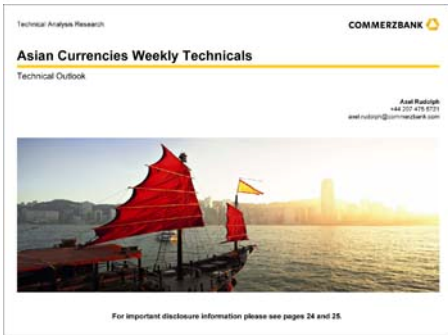
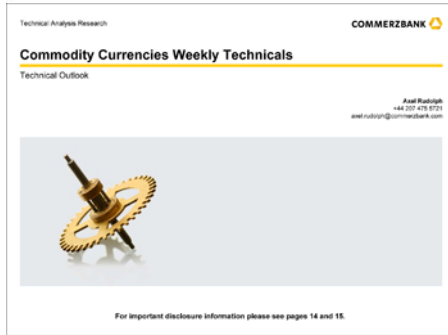
Rouble Basket Weekly Chart

RUB BASKET (EUR & USD) (RUBBASK Currency)

 update







## Other technical analysis reports we publish are:

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