

Commodity Currencies Weekly Technicals

Wednesday, 05 February 2014

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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Technical Outlook

Commodity currencies are short term consolidating but the medium term trends remain in place

Market	Short term view (1–3 weeks)
NZD/USD:	Is swiftly bouncing off the current February low at .8051 which was probably a false breakout.
AUD/NZD:	The significant AUD/NZD reversal higher has further to run and nears the resistance line at 1.1096.
USD/CAD:	Has practically reached the 50% retracement at 1.1238 and is now consolidating below it.
EUR/AUD:	Is rapidly dropping towards support at 1.5034/1.4996 which is likely to withstand the first test.
EUR/NZD:	Sharply reversed lower from its current February high at 1.6789 and nears support at 1.6276/23.
EUR/CAD:	Has been repelled by the 1.5186/1.5453 resistance zone and is now consolidating and slipping.

The Australian, New Zealand and Canadian Dollar vs. the US Dollar

Commodity currencies are regaining some of their recent losses versus the US Dollar

AUD-USD X-RATE (AUDUSD Curncy)

[update](#)

Daily AUDUSD Curncy **Rebase NZDUSD Curncy 31/12/13** **Rebase CADUSD Curncy 31/12/13**

Update Professional : Data by Bloomberg

C: 0.88936 -0.00314 (-0.35%)

T: 07:59:05

2014 performance to date

Ar

104.0000

103.5000

103.0000

102.5000

102.0000

101.5000

101.0000

100.5000

100.0000

99.5000

99.0000

98.5000

98.0000

97.5000

97.0000

96.5000

95.5000

95.0000

94.5000

94.0000

New Zealand Dollar -0.34%

Australian Dollar -0.26%

Canadian Dollar -4.04%

99.737

95.9544

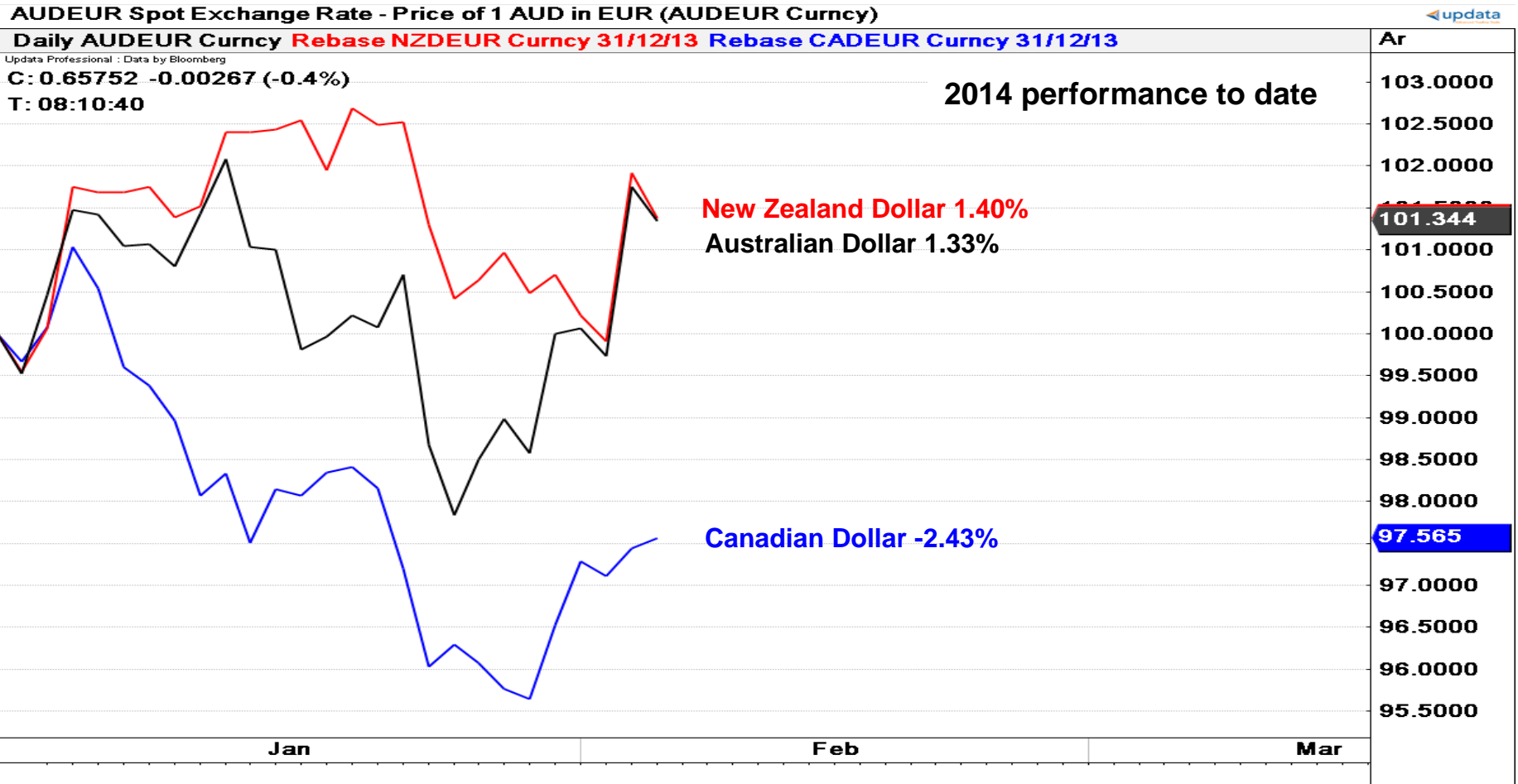
Jan

Feb

Mar

The Australian, New Zealand and Canadian Dollar vs. the Euro

Commodity currencies are making back some of their recent losses versus the Euro



AUD/USD - Daily Chart

Please see comments in this morning's Daily Market Technicals

AUD/USD Daily Chart



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NZD/USD - Daily Chart

Is swiftly bouncing off the current February low at .8051 which was probably a false breakout

- > NZD/USD's rejection by the .8408/37 resistance area, made up of the September/November highs, took it all the way to the current February low at .8051. From there it has swiftly shot up, though, and now trades back around the 55 day moving average at .8234.
- > This week's rally leads us to believe that last week's drop below the .8084 November low was nothing more than a false breakout to the downside.
- > We therefore expect to see further range trading between the .8408/37 resistance area and the .8084/51 significant support zone and thus neutral.
- > In case of a daily close above .8437 being made, we will have to allow for the .8500 region and the October peak at .8545 to be revisited.
- > A fall through the .8084/.51 support area would turn us bearish, and eye the psychological .8000 mark.

NZD/USD Daily Chart

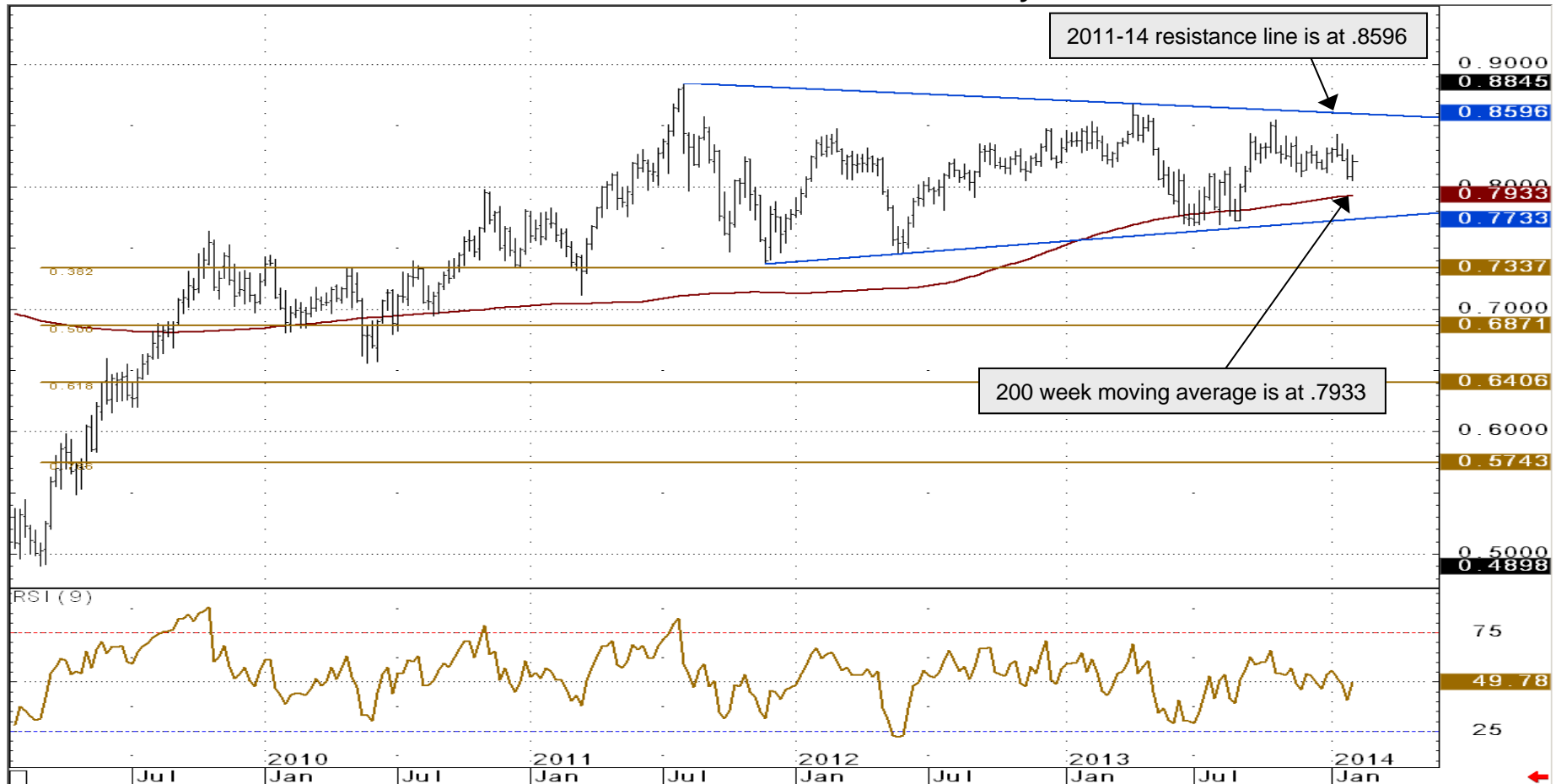


Support	Resistance	1-Week View	1-Month View
.8134/17&.8084	.8336/48	➔	➔
.8451&.8000	.8408/37		

NZD/USD - Weekly Chart

Stays sidelined between its long term resistance line and the 200 week moving average

NZD/USD Weekly Chart



AUD/NZD - Daily Chart

The significant AUD/NZD reversal higher has further to run & nears the resistance line at 1.1096

- › AUD/NZD's reversal off the major support area at 1.0501/1.0434, made up of the 1995 and 2005 lows, has so far taken it to its current February high at 1.0948.
- › Once this level has been bettered, the 2013-14 resistance line at 1.1096 and then the August and September lows at 1.1157/99 will be targeted. There the currency pair is likely to struggle, at least for a few days, before the 200 day moving average at 1.1394 is being eyed.
- › Buying dips down towards the 1.0731 December low, now support, should be considered by those who have missed last week's rally since more upside is in store for the months to come.
- › Further support can be seen between the 1.0707 January 20 high and the breached resistance line at 1.0641.
- › We will keep our bullish outlook while AUD/NZD trades above the January low at 1.0493 on a daily closing basis.

Support	Resistance	1-Week View	1-Month View
1.0731/07	1.0948&1.1096	➔	➔
1.0543/1.0493	1.1157/99		

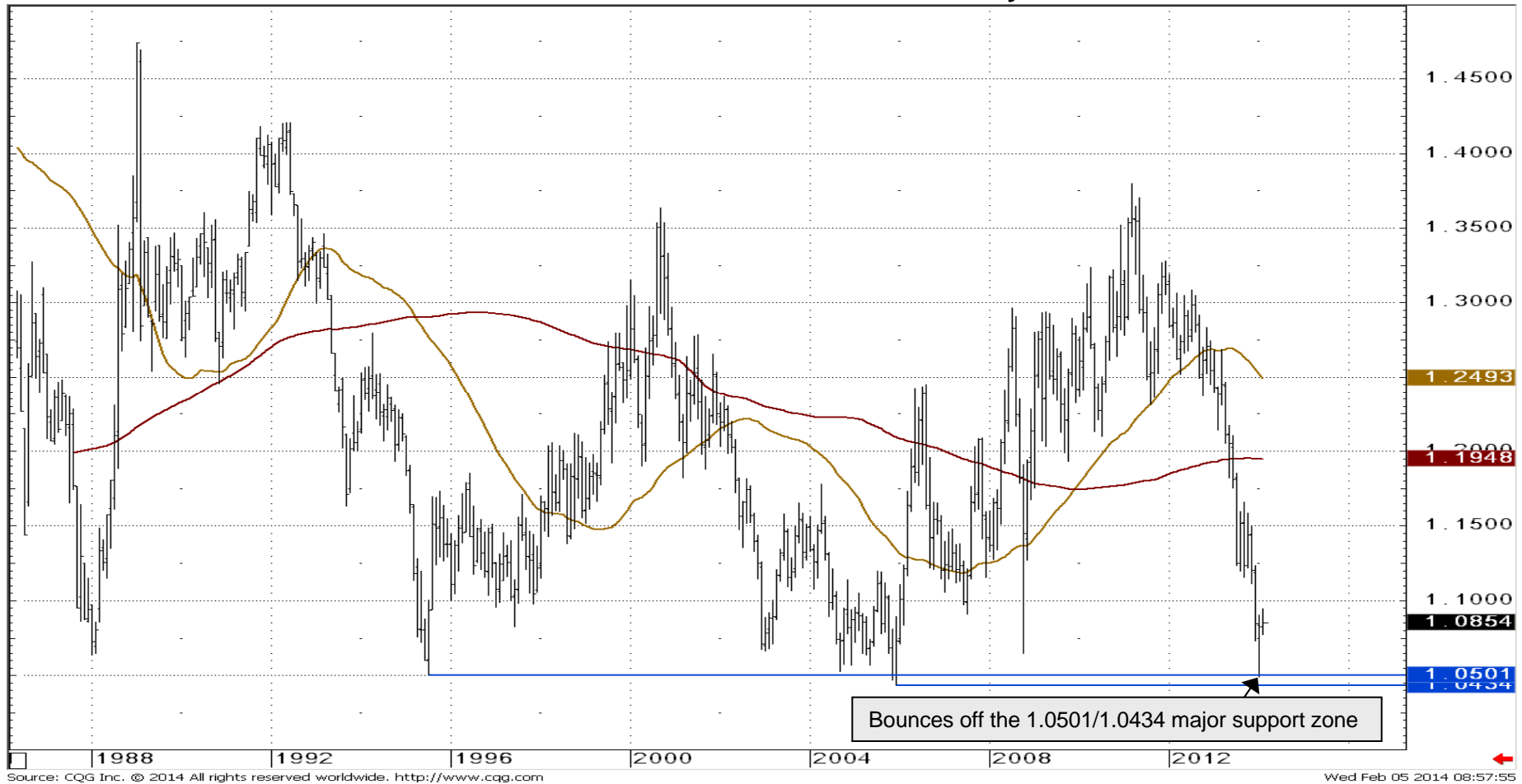
NZD/USD Daily Chart



AUD/NZD - Monthly Chart

Bounces off the 1.0501/1.0434 major support zone

NZD/USD Monthly Chart



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USD/CAD - Daily Chart

Has practically reached the 50% retracement at 1.1238 and is now consolidating below it

- › USD/CAD has practically hit the 50% retracement of the 2009-11 decline at 1.1238 before consolidating.
- › We believe that the currency pair will find support in the 1.1032/1.0906 region where the late January low and minor psychological support are lying near the two month support line and the December high. We have therefore neutralised our short term outlook
- › Once the 50% retracement at 1.1238 has been overcome, the minor psychological 1.1500 level and the 38.2% Fibonacci retracement at 1.1533 will be in focus. Over the course of this year the next higher 1.1669 61.8% Fibonacci retracement and the 1.1722 July 2009 peak could also be reached.
- › Strong support can be seen around the 1.0850 level and at the 1.0736 December high. We will hold onto our bullish medium term forecast while USD/CAD trades above its late December low at 1.0500.

USD/CAD Daily Chart

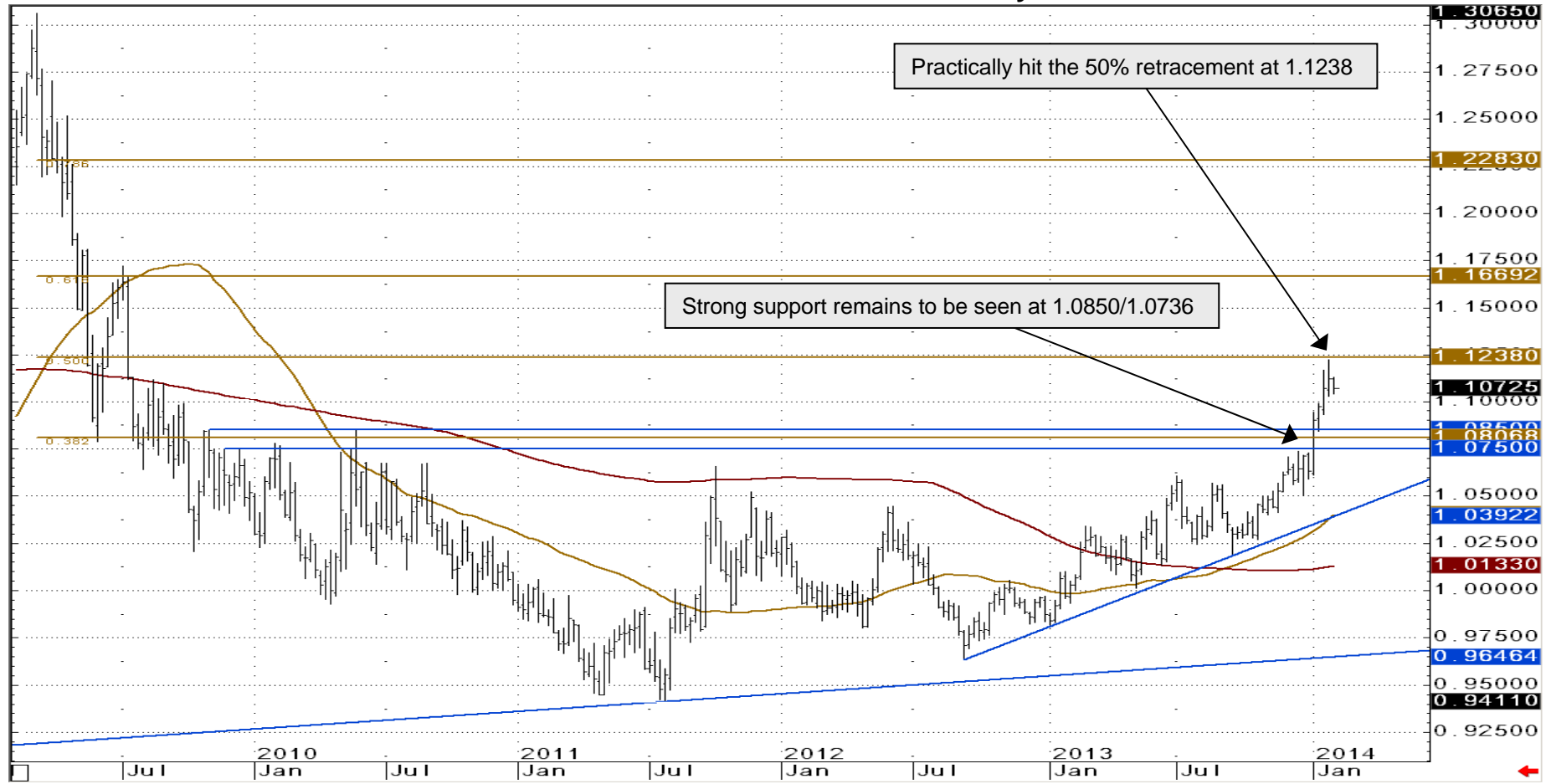


Support	Resistance	1-Week View	1-Month View
1.1032/1.0906	1.1238&1.1500	➔	➔
1.0850/1.0736	1.1533&1.1669		

USD/CAD - Weekly Chart

Has the 50% retracement at 1.1238 in its sights

USD/CAD Weekly Chart



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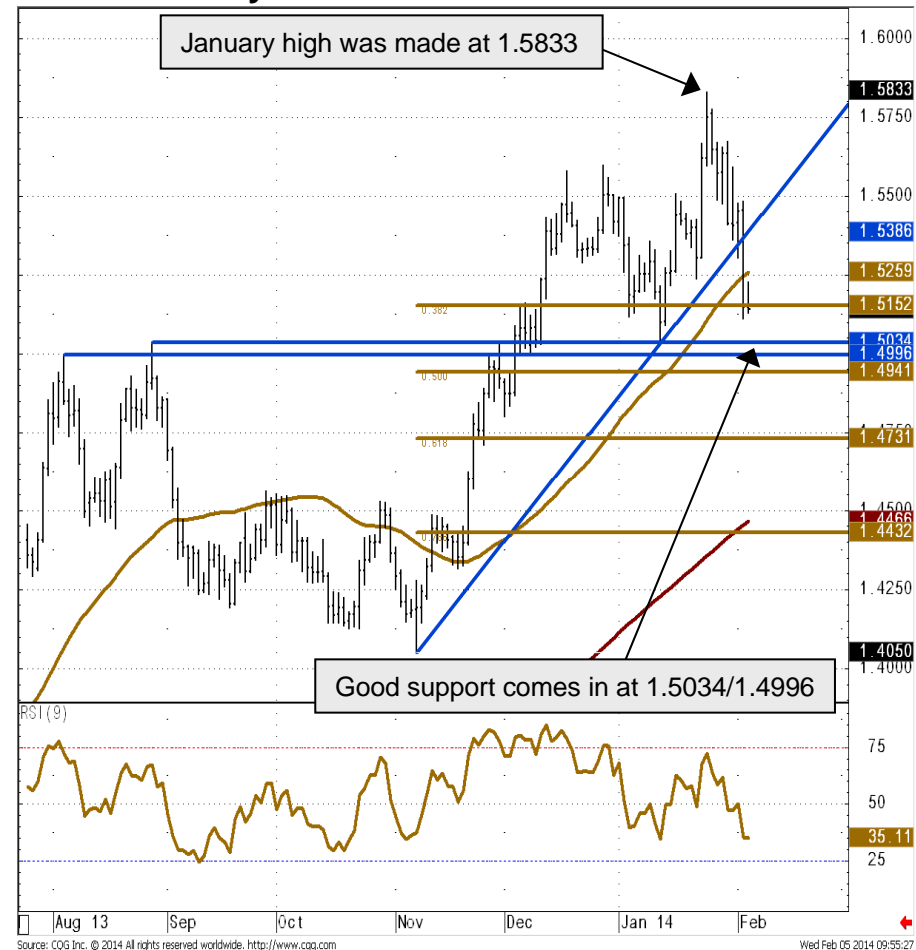
Wed Feb 05 2014 09:25:12

EUR/AUD - Daily Chart

Is rapidly dropping towards support at 1.5034/1.4996 which is likely to withstand the first test

- › EUR/AUD's decline off its 1.5833 January high is ongoing with it heading down towards the 1.5034/1.4996 support area which comprises the January low and August highs.
- › This support zone is expected to hold on a daily chart closing basis in the course of this week and as long as it does, further upside towards the 1.5926/1.6050 target zone will remain a distinct possibility. It is where the February and June 2008 lows were made.
- › For now unexpected failure at 1.4996 would push the 1.4800 December low back to the fore. Below it sits the minor support zone at 1.4731/09 where the 61.8% Fibonacci retracement and the November 26 low are seen. These levels we do not expect to be hit any time soon.
- › We will remain long term bullish while EUR/AUD trades above the November low at 1.4050.

EUR/AUD Daily Chart



Support	Resistance	1-Week View	1-Month View
1.5034/1.4996	1.5386&1.5509	➔	➔
1.4800&1.4731	1.5579/98		

EUR/AUD - Weekly Chart

Formed an interim top and is now consolidating

EUR/AUD Weekly Chart



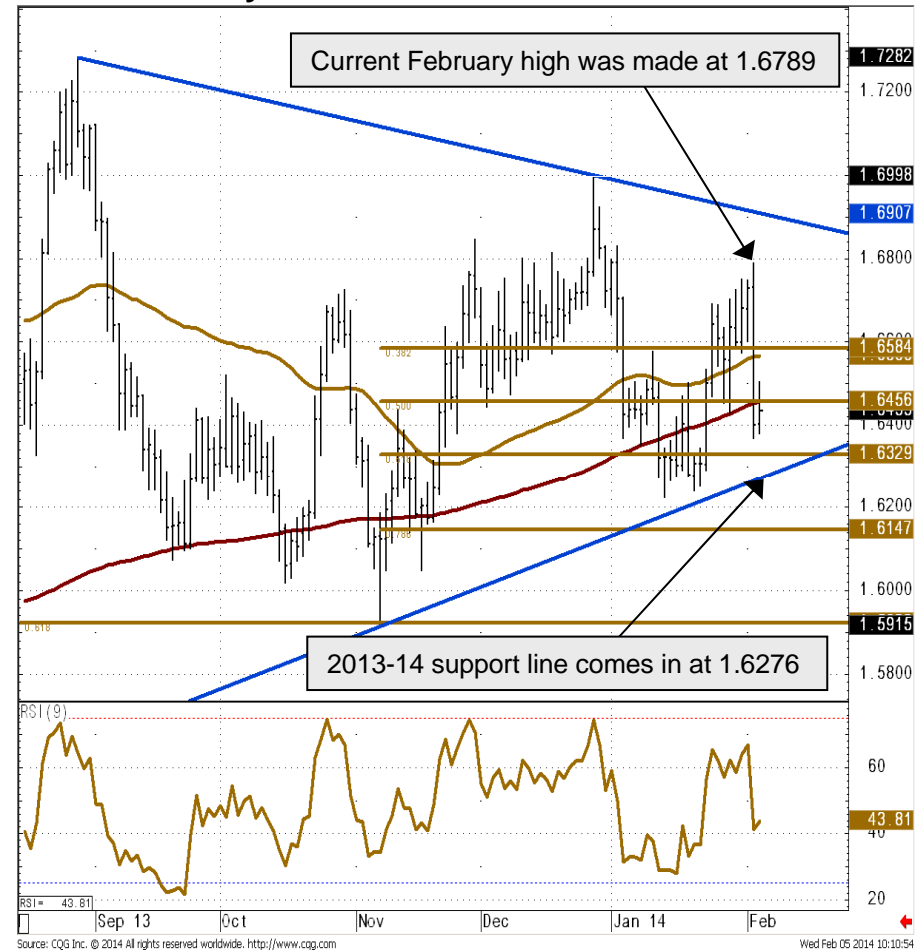
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EUR/NZD - Daily Chart

Sharply reversed lower from its current February high at 1.6789 and nears support at 1.6276/23

- › EUR/NZD shot up to 1.6789 in early February before suddenly dropping to 1.6368 on the same day.
- › This key day reversal is short term negative and means that the 1.6276/23 support area is expected to be revisited. It contains the 2013-14 support line and the January low.
- › In view of Tuesday's sharp drop the odds favour the 1.6276/23 support area giving way with the major 1.6072/1.5915 support zone then being targeted in the weeks to come. This support region is made up of the September, October and November lows and should then underpin again, if reached at all that is.
- › We believe that later this year the 2011-14 downtrend line at 1.6870 is likely to be overcome with the 2013 peak at 1.7282 then being in the picture. For this to happen a daily close above the 1.6998 December high will need to be made and only this would change our neutral one month view to a bullish one. We still retain our neutral forecast.

EUR/NZD Daily Chart

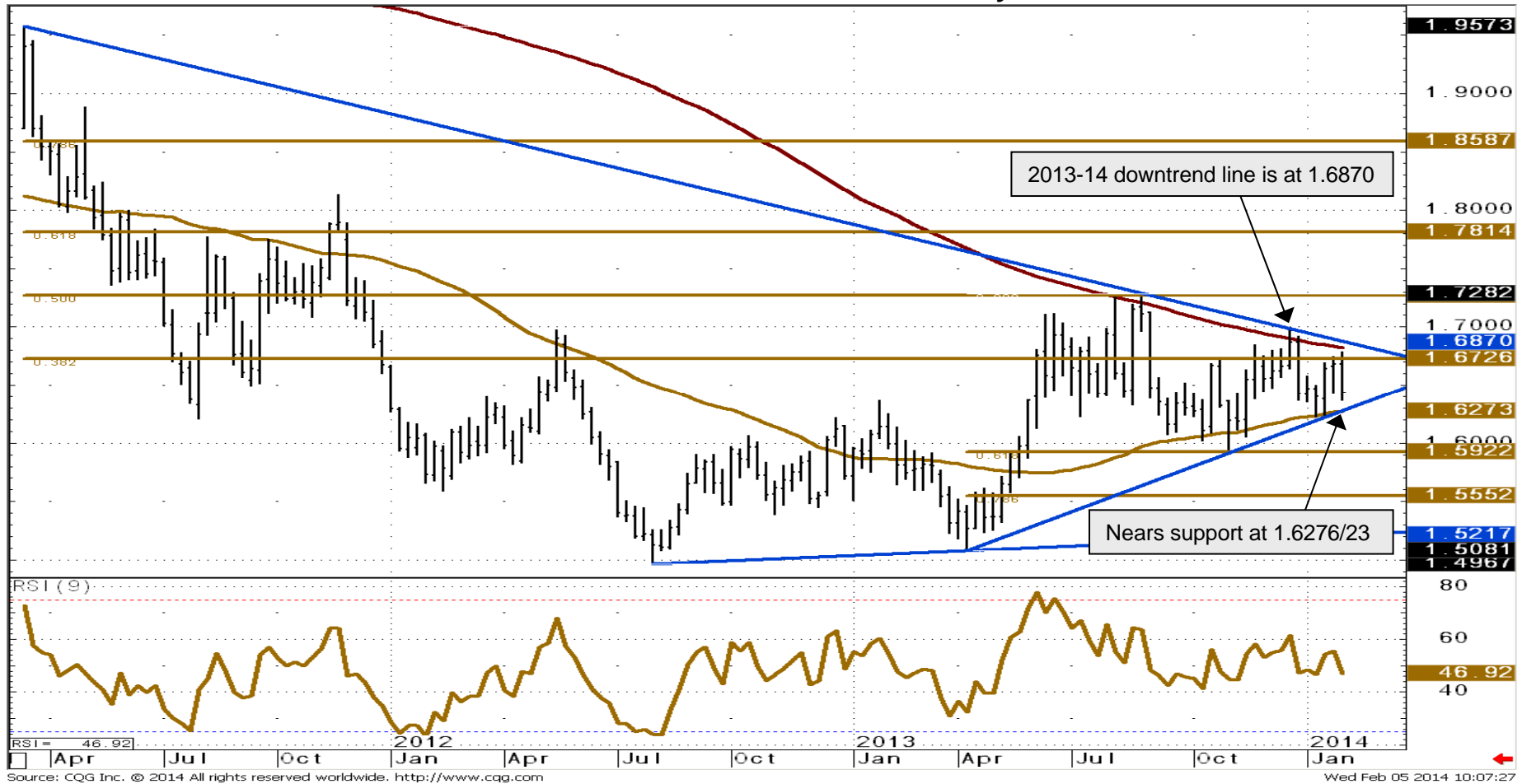


Support	Resistance	1-Week View	1-Month View
1.6276/23	1.6692/1.6789	➔	➔
1.6072/1.5915	1.6832/1.7000		

EUR/NZD - Weekly Chart

Drifts back towards support at 1.6276/23 which remains key for the short term trend

EUR/NZD Weekly Chart



EUR/CAD - Daily Chart

Has been repelled by the 1.5186/1.5453 resistance zone and is now consolidating and slipping

- › EUR/CAD's surge higher took it to a five year high at 1.5305 which was right within the major 1.5186/1.5453 resistance zone (June, July and October 2009 lows and the 61.8% Fibonacci retracement of the 2008-12 decline) which provoked a short term reversal lower and consolidation.
- › A slide towards the 1.4819/1.4684 support area now seems to be on the cards. It is where the December peak, late January low, the 55 day moving average and the four month support line all come together. We expect the currency pair to level out ahead or within this support zone before continuing its longer term uptrend.
- › Once a daily close above 1.5453 has been made, the March 2007 high at 1.5686 will be in focus, followed by the psychological 1.6000 region and the September 2009 high at 1.6099. We will retain our medium term bullish view while EUR/CAD stays above the January low at 1.4410. Our longer term bullish outlook will be valid while the currency pair remains above the November low at 1.3887.

EUR/CAD Daily Chart

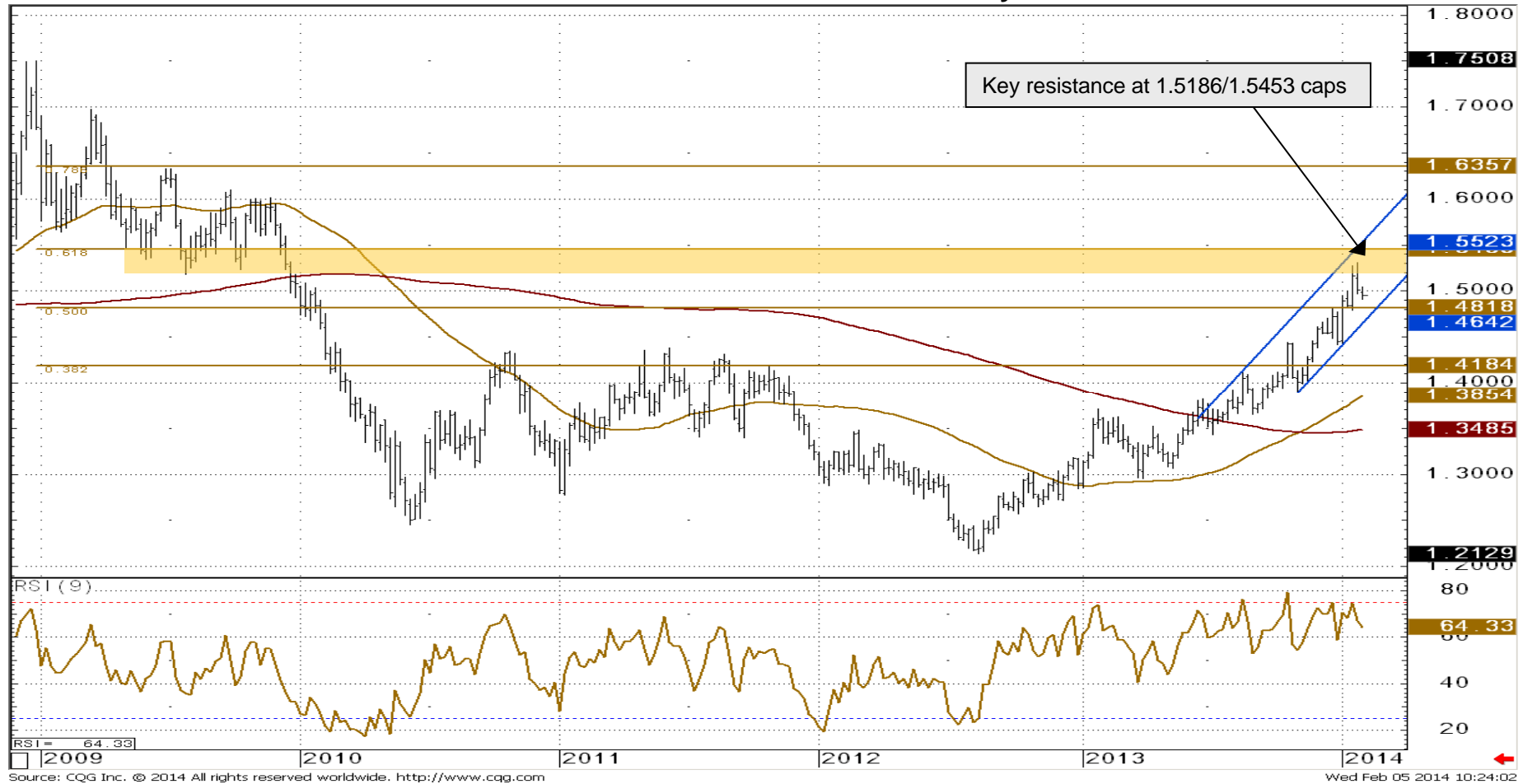


Support	Resistance	1-Week View	1-Month View
1.4819/1.4684	1.5186/1.5453	➔	➔
1.4704/1.4665	1.5686&1.6000		

EUR/CAD - Weekly Chart

Has been repelled by key resistance at 1.5186/1.5453

EUR/CAD Weekly Chart



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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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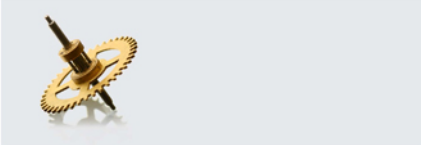


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Technical Outlook

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- Wednesday:** Daily Market Technicals (FX), Strategic Technical Themes;
- Thursday:** Daily Market Technicals (FX), Asian Currencies Weekly Technicals;
- Friday:** Daily Market Technicals (FX), Fixed Income Weekly Technicals.

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