

# Commodity Currencies Weekly Technicals

Monday, 10 February 2014

## Technical Outlook

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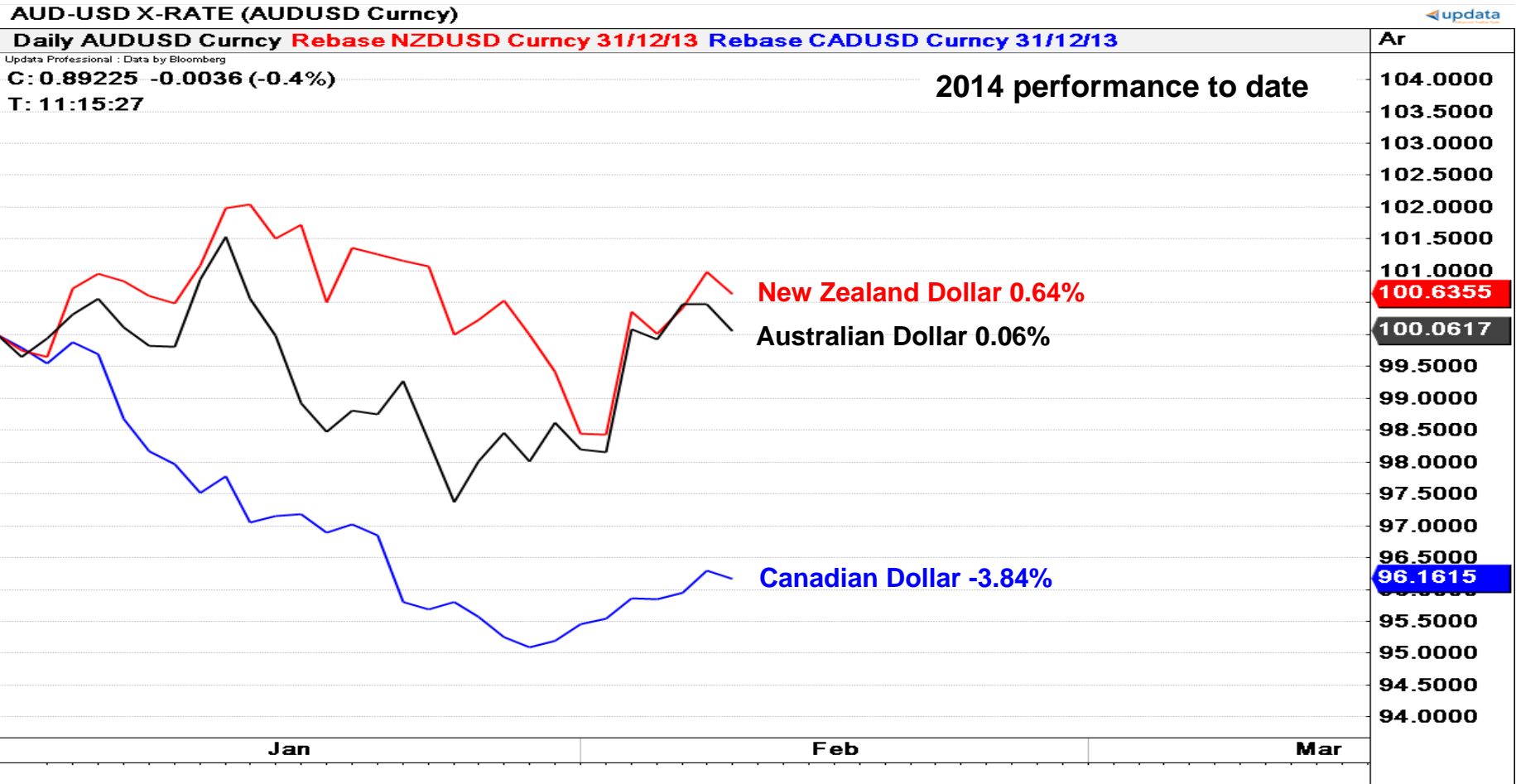
## Technical Outlook

Commodity currencies are still consolidating and are likely to continue to do so for a while yet

Market	Short term view (1–3 weeks)
NZD/USD:	Trades back towards the middle of its recent .8432/.8051 trading range; stays sidelined.
AUD/NZD:	The significant AUD/NZD reversal higher is seeing its first correction but has further to run.
USD/CAD:	Has practically reached the 50% retracement at 1.1238 and is still consolidating below it.
EUR/AUD:	Once again bounces off the 1.5034/1.4996 support area but should stay range bound.
EUR/NZD:	Drop from its current February high at 1.6789 could still take it to support at 1.6288/23.
EUR/CAD:	Came off resistance at 1.5186/1.5453 and is likely to retest support at 1.4819/1.4665.

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

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

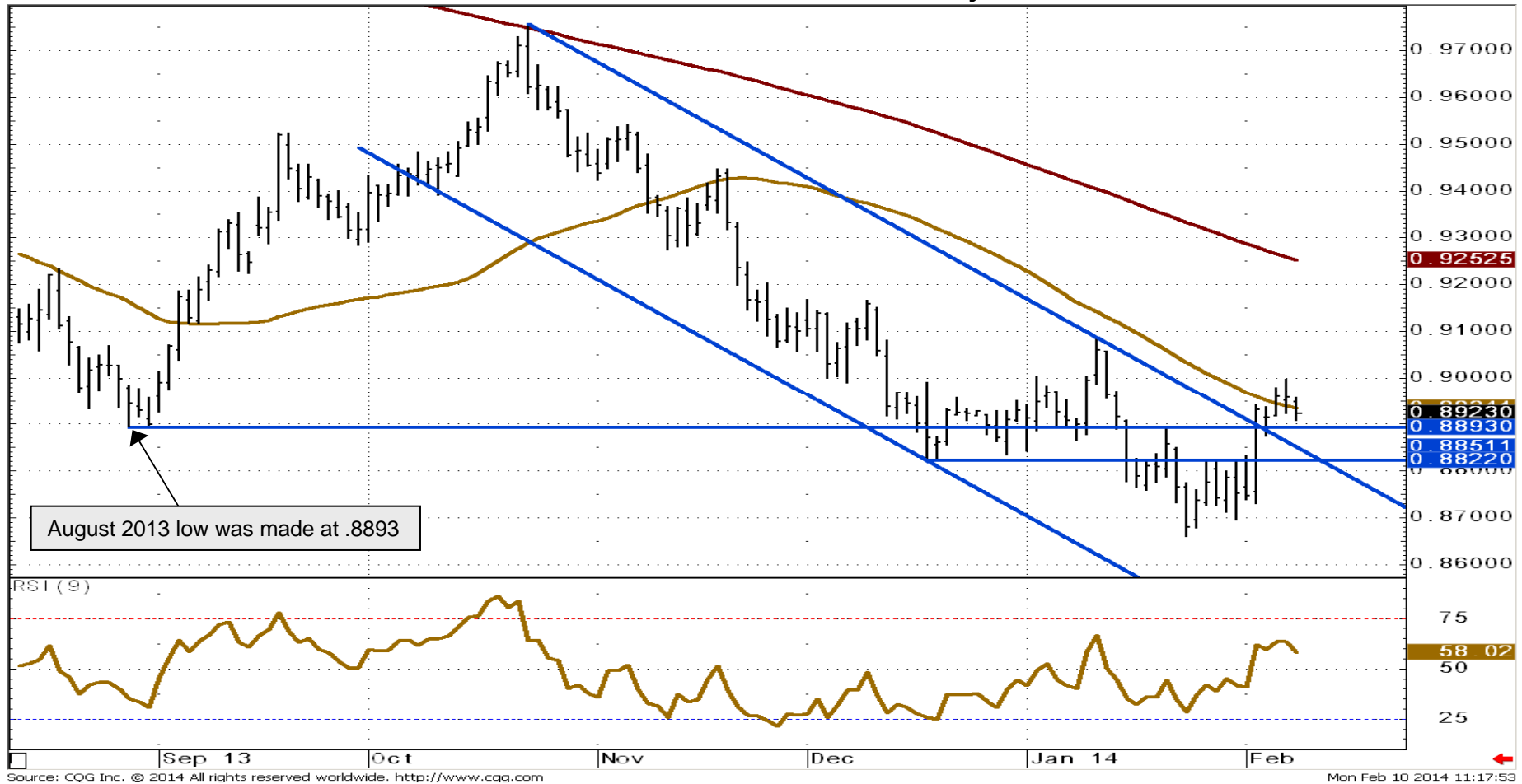




# AUD/USD - Daily Chart

Please see comments in this morning's Daily Market Technicals

AUD/USD Daily Chart



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# NZD/USD - Daily Chart

Trades back towards the middle of its recent .8432/.8051 trading range; stays sidelined

- › 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 .8300 level, towards the middle of its recent range.
- › Last week's rally leads us to believe that the recent descent 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 keep our neutral outlook.
- › 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 instead.

NZD/USD Daily Chart



Support	Resistance	1-Week View	1-Month View
.8131/17&.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 is seeing its first correction but has further to run

- › 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.
- › From there it is currently consolidating which is why we have neutralised our short term forecast.
- › Buying dips down towards the 1.0731 December low, now support, should be considered by those who have missed the recent rally since we believe that further upside is in store for the months to come.
- › Further support can be seen around the 1.0707 January 20 high. We will keep our bullish view while AUD/NZD trades above the January low at 1.0493 on a daily closing basis.
- › Once the 1.0948 current February high 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, though.

Support	Resistance	1-Week View	1-Month View
1.0731/07	1.0948&1.1076	➔	➔
1.0543/1.0493	1.1157/99		

## NZD/USD Daily Chart

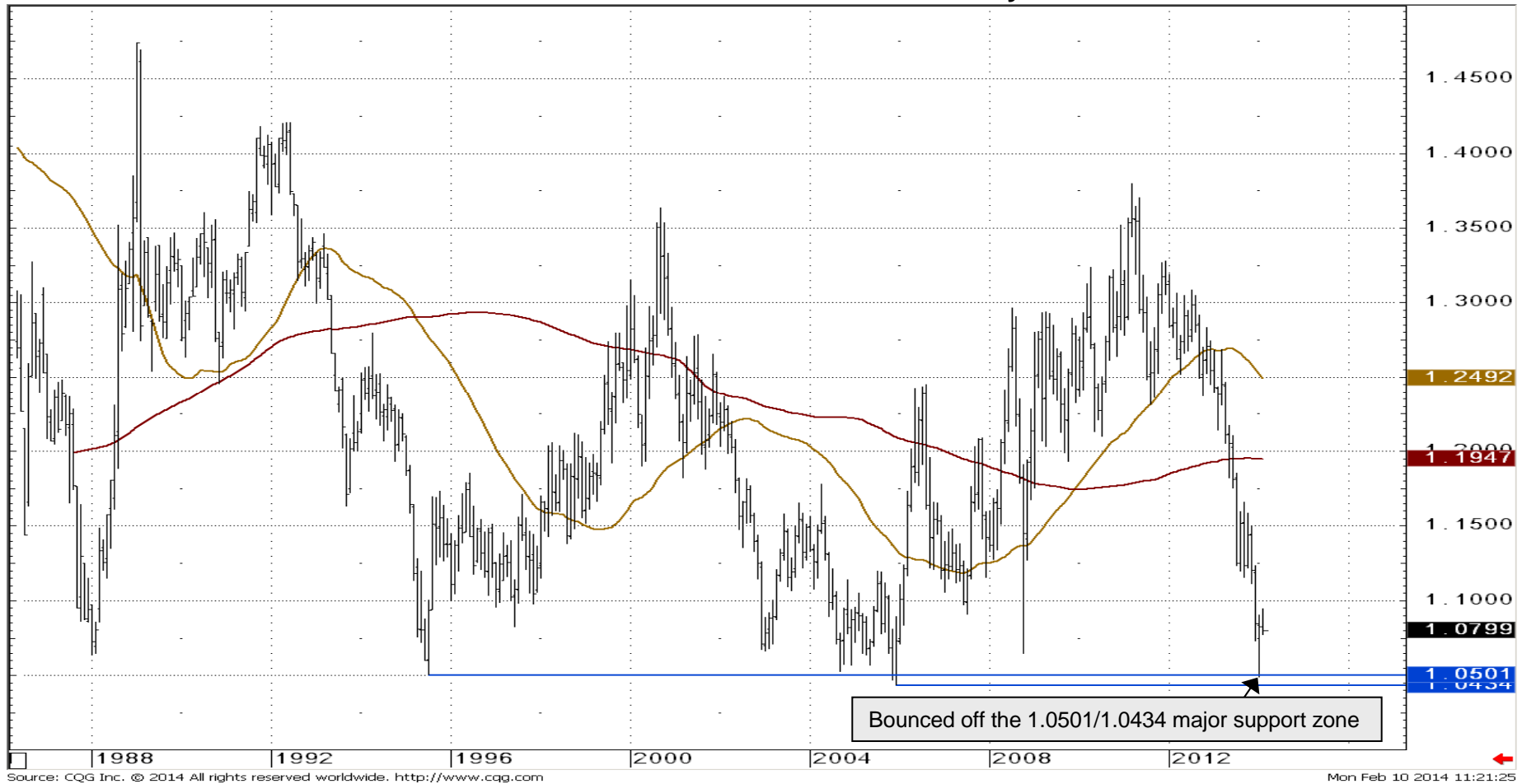




# AUD/NZD - Monthly Chart

Bounced 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 still consolidating below it

- › USD/CAD has practically hit the 50% retracement of the 2009-11 decline at 1.1238 by rising to 1.1224 in late January before consolidating.
- › The currency pair seems to have found support in the 1.1032/1.0906 region where the late January low and minor psychological support band together with the two month support line and the December high.
- › The question is whether any short term rise will falter in the 1.1100 zone with major support at 1.0850/1.0736 then being revisited or whether new highs will straight away be seen. We presently favour the former scenario.
- › Once the 50% retracement at 1.1238 has been overcome, though, 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.

USD/CAD Daily Chart

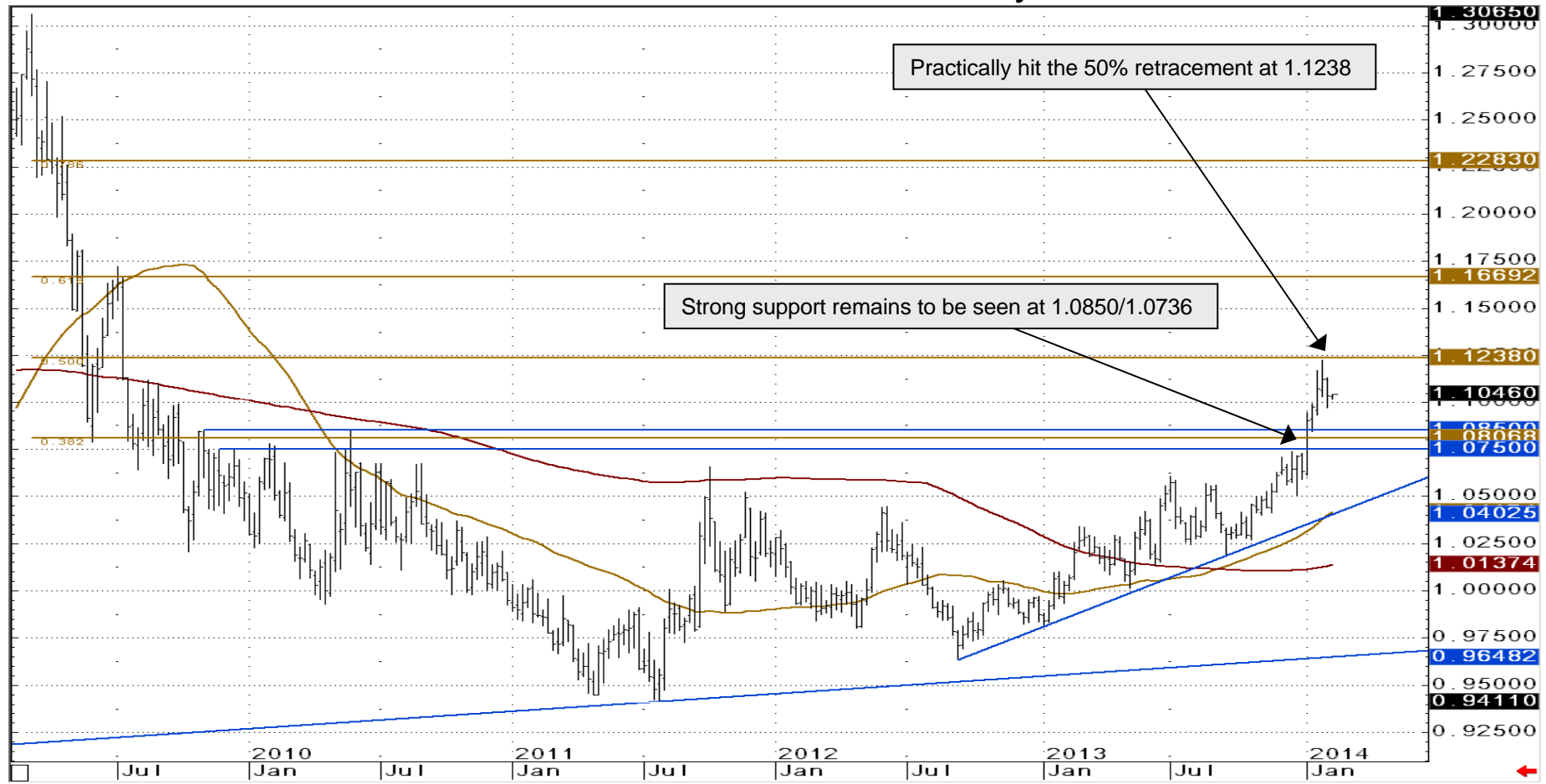


Support	Resistance	1-Week View	1-Month View
1.0969/06	1.1121&1.1238	➔	➔
1.0850/1.0736	1.1500/33		

# USD/CAD - Weekly Chart

Consolidates below its 1.1224 January peak

USD/CAD Weekly Chart



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# EUR/AUD - Daily Chart

Once again bounces off the 1.5034/1.4996 support area but should stay range bound

- › EUR/AUD's decline off its 1.5833 January high has taken it back to the 1.5034/1.4996 support area (January low and August highs) from where it is currently bouncing back.
- › The 1.5357 January high is currently being targeted and the next higher 1.5509/98 resistance zone could also be reached but is likely to cap for the time being. It consists of the mid-January and December highs.
- › Our medium term 1.5926/1.6050 target zone will remain on the back burner as long as no daily close above 1.5598 has been made. 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 it trade above 1.4050.

EUR/AUD Daily Chart



Support	Resistance	1-Week View	1-Month View
1.5034/1.4996	1.5357&1.5509	➔	➔
1.4800&1.4731	1.5579/98		

# EUR/AUD - Weekly Chart

Formed an interim top and is still consolidating

EUR/AUD Weekly Chart



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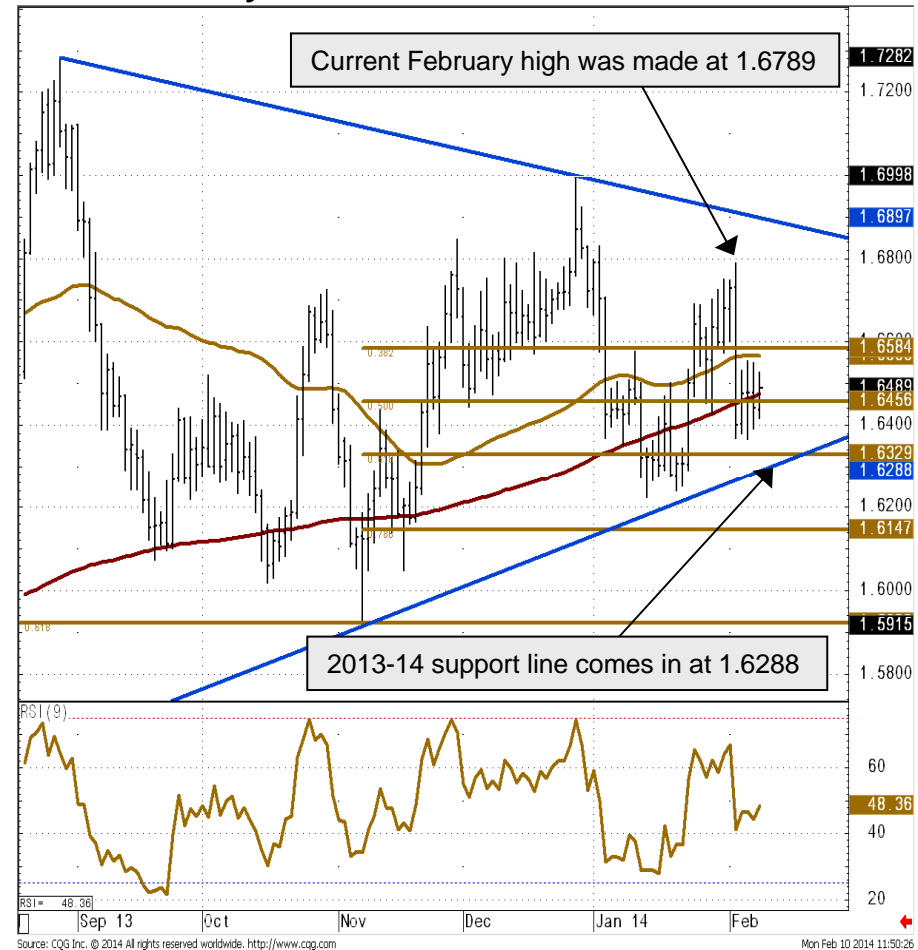
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# EUR/NZD - Daily Chart

Drop from its current February high at 1.6789 could still take it to support at 1.6288/23

- › EUR/NZD shot up to 1.6789 in early February before suddenly dropping to 1.6368 on the same day. It has since then traded in a tight sideways range and thus remains vulnerable to the downside.
- › The 1.6288/23 support area is therefore still expected to be revisited. It contains the 2013-14 support line and the January low. Should it give way the major 1.6072/1.5915 support zone will be targeted in the weeks to come. It is made up of the September, October and November lows but should underpin again, if reached at all that is.
- › We believe that later this year the 2011-14 downtrend line at 1.6852 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 prefer to retain our neutral forecast for the time being.

EUR/NZD Daily Chart

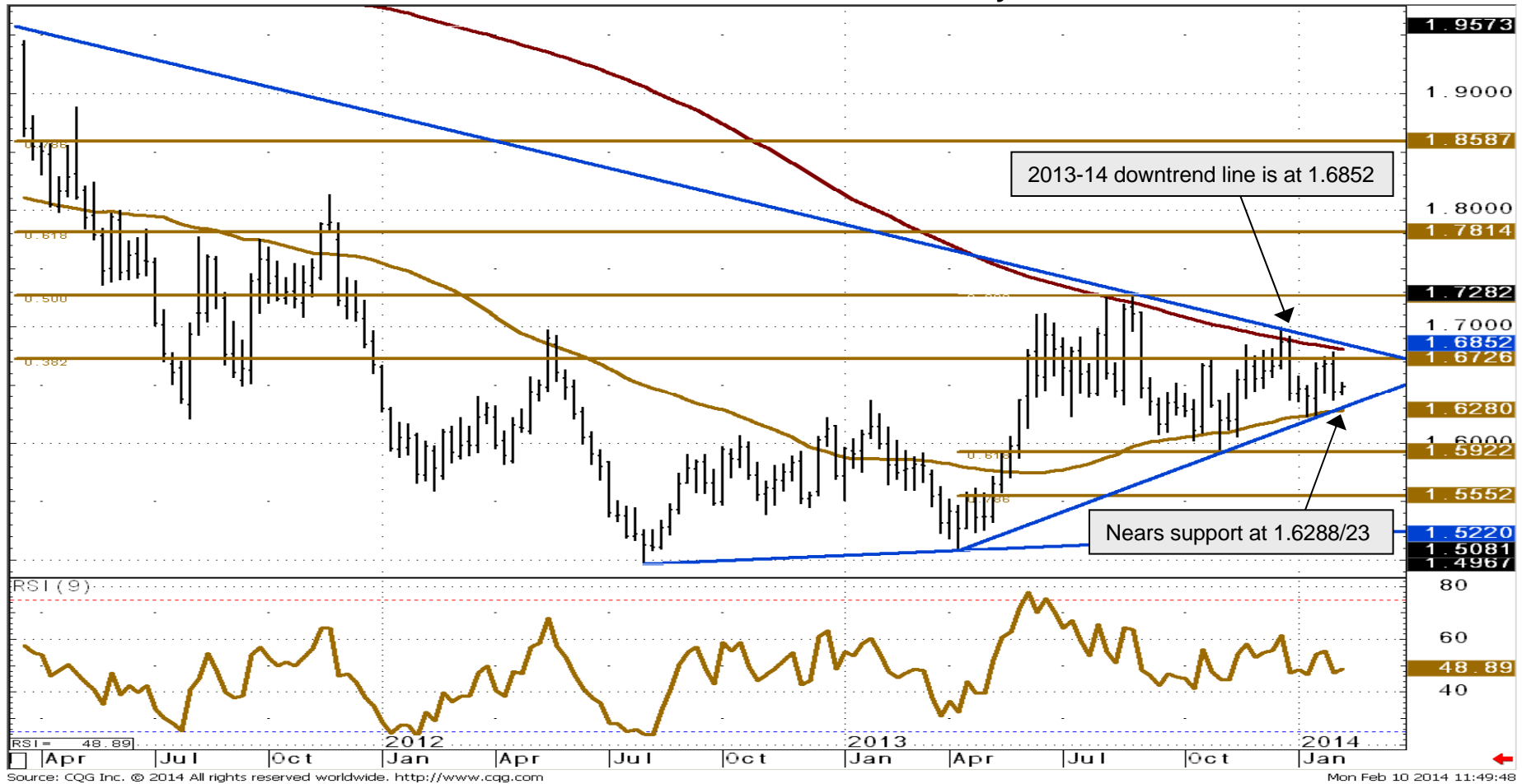


Support	Resistance	1-Week View	1-Month View
1.6288/23	1.6566/84	➔	➔
1.6072/1.5915	1.6692/1.6789		

# EUR/NZD - Weekly Chart

Drifts back towards support at 1.6280/23 which remains key for the short term trend

EUR/NZD Weekly Chart



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# EUR/CAD - Daily Chart

Came off resistance at 1.5186/1.5453 and is likely to retest support at 1.4819/1.4665

- › EUR/CAD is still consolidating below its five year high at 1.5305 which was made right within the 1.5186/1.5453 resistance zone (June, July and October 2009 lows and 61.8% Fibonacci retracement of the 2008-12 decline).
- › Although having oscillated around the 1.5000 mark over the past week or so, a slide towards the 1.4819/1.4665 support area still seems to be on the cards. It is where the December peaks, 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



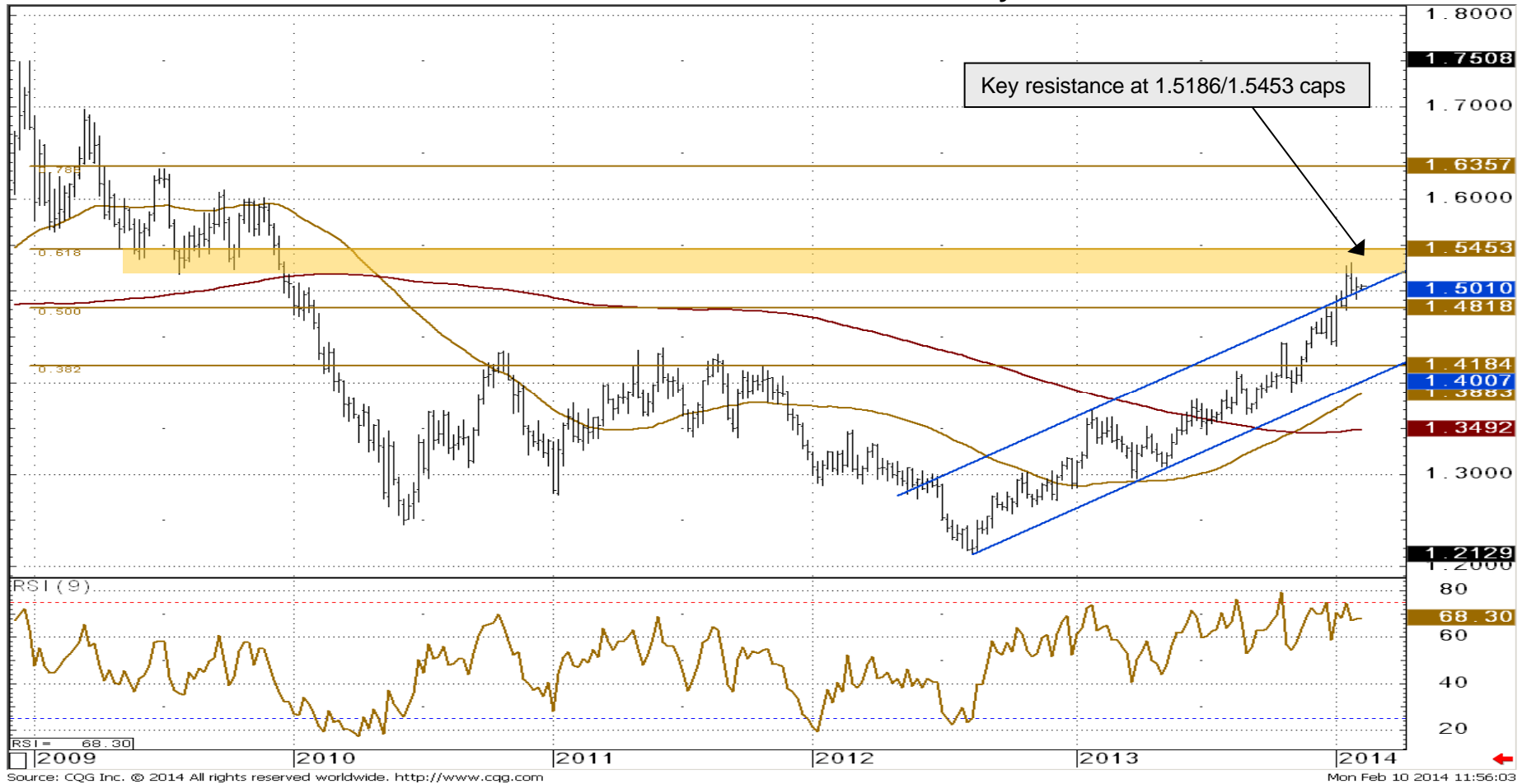
Support	Resistance	1-Week View	1-Month View
1.4819/1.4684	1.5186/1.5453	➔	➔
1.4704/1.4665	1.5686&1.6000		

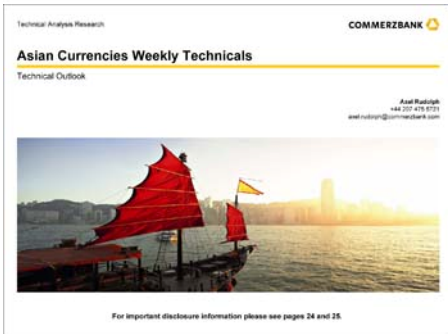
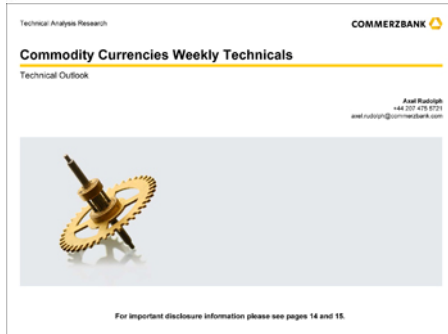


# EUR/CAD - Weekly Chart

Remains sidelined below key resistance at 1.5186/1.5453

EUR/CAD Weekly Chart





## Other technical analysis reports we publish are:

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