

FX Emerging Markets Weekly Technicals

Monday, 24 February 2014

Technical Outlook

<p>1 Technical Analysis Banks Commerzbank</p> <p>Source: Euromoney FX Poll 2012</p> <p>2012 </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 </p>	<p>2 Technical Analysis Commerzbank</p> <p>Source: Euromoney FX Survey 2013</p> <p>2013 </p>
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Axel Rudolph
+44 207 475 5721
axel.rudolph@commerzbank.com



For important disclosure information please see the end of the document.

Technical Outlook

Emerging market currencies are still making back recent losses versus the Euro and US Dollar

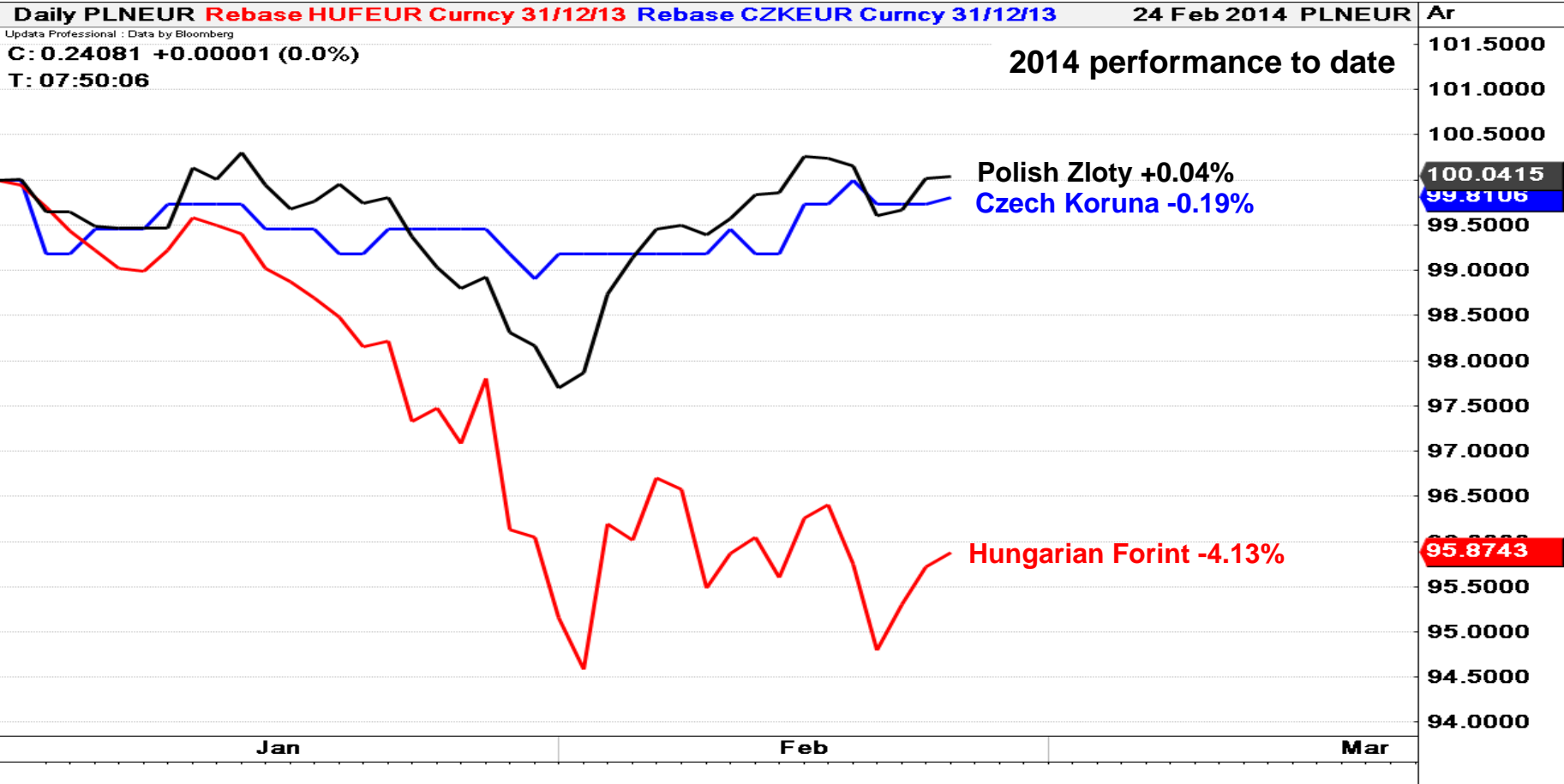
Market	Short term view (1-3 weeks)
EUR/PLN:	Once again probes the 4.1517/4.1283 support zone which we still expect to hold.
EUR/HUF:	Negative divergence points to the accelerated uptrend line at 308.78 soon being slid through.
EUR/CZK:	Probes the 27.31/30 support zone, a slip through which will target the 27.18 minor support level.
EUR/BRL:	Remains below the October 2008 high at 3.3487 and is seen coming off it in the short term.
USD/BRL:	Drops towards the 2.3289/2.2987 support zone which is expected to hold, though.
EUR/MXN:	An interim top was formed in January at 18.6944; expect to see further sideways trading.
USD/MXN:	Still consolidates below the 13.6072 January high and could retest support at 13.1874/13.1315.
EUR/TRY:	We will maintain our neutral short term forecast while the 2.9709/2.9375 support area holds.
USD/TRY:	Has reached the 2.1748/2.1582 support area which we expect to underpin.
USD/ZAR:	Still consolidates below the 11.3915 January high, a rise above which will eye the 2008 peak.
Rouble Basket:	Comes off its all-time high at 41.96 which is why we have neutralised our medium term forecast.

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

Emerging Market currencies continue to be sidelined versus the Euro

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

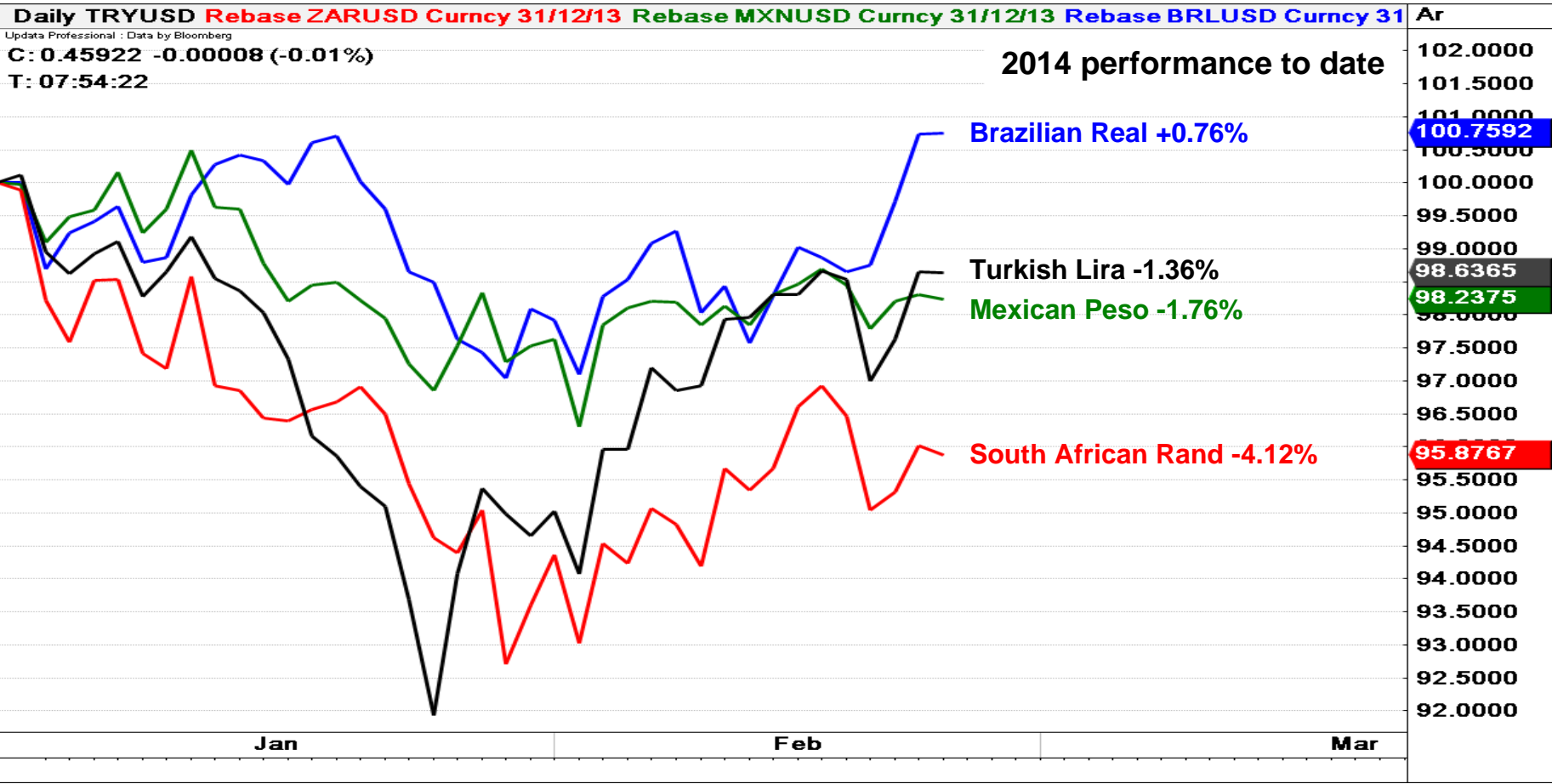
[update](#)



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

The Brazilian Real is back in positive territory versus the US Dollar

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



EUR/PLN - Daily Chart

Once again probes the 4.1517/4.1283 support zone which we still expect to hold

- › EUR/PLN's sharp decline from its 4.2648 January high has taken it all the way back to the 4.1397 level before bouncing back to 4.1866 last week, only to then slip back to the 4.1500 region.
- › We thus remain neutral while the 4.1517/4.1283 major support area continues to hold. It is where the September, November, December and January lows were made.
- › Minor resistance is seen around the 4.1926 January 10 high with more resistance being seen between the 200 day moving average at 4.2143 and the November peak and 38.2% Fibonacci retracement of the June-to-December decline at 4.2204/09.
- › While the currency pair stays sidelined between the 4.2209 and 4.1283 levels on a daily chart closing basis our view will remain neutral. Failure at 4.1283, would put the April 2013 low at 4.0928 and the December 2012 low at 4.0541 back on the map, though.

EUR/PLN Daily Chart



Support	Resistance	1-Week View	1-Month View
4.1379/4.1283	4.1926&4.2143	➔	➔
4.0928&4.0541	4.2204/09		

EUR/PLN - Weekly Chart

Drifts back towards the 2011-13 support line at 4.1387 but still remains sidelined

EUR/PLN Weekly Chart



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Mon Feb 24 2014 08:15:07

EUR/HUF - Daily Chart

Negative divergence points to the accelerated uptrend line at 308.78 soon being slid through

- › EUR/HUF's sell-off from its current February high 314.78, which was marginally above the 78.6% Fibonacci retracement of the 2012 decline at 313.59, has so far taken it to the 309.50 level and has been accompanied by negative divergence on the daily RSI.
- › We therefore believe that the accelerated uptrend line at 308.78 will be slipped through and that the current February low at 306.31 will soon be revisited.
- › The next lower significant support zone at 304.08/302.34 (April, August, December highs and January 29 low) could also be reached but should then underpin.
- › We will retain our longer term bullish forecast while the currency pair remains above its January 29 low at 302.34.
- › A rise above the current February high at 314.78 will put the November 2011 peak at 317.66 on the map. Further up are the 2012 peak at 324.25 and the 325.00 mark.

EUR/HUF Daily Chart

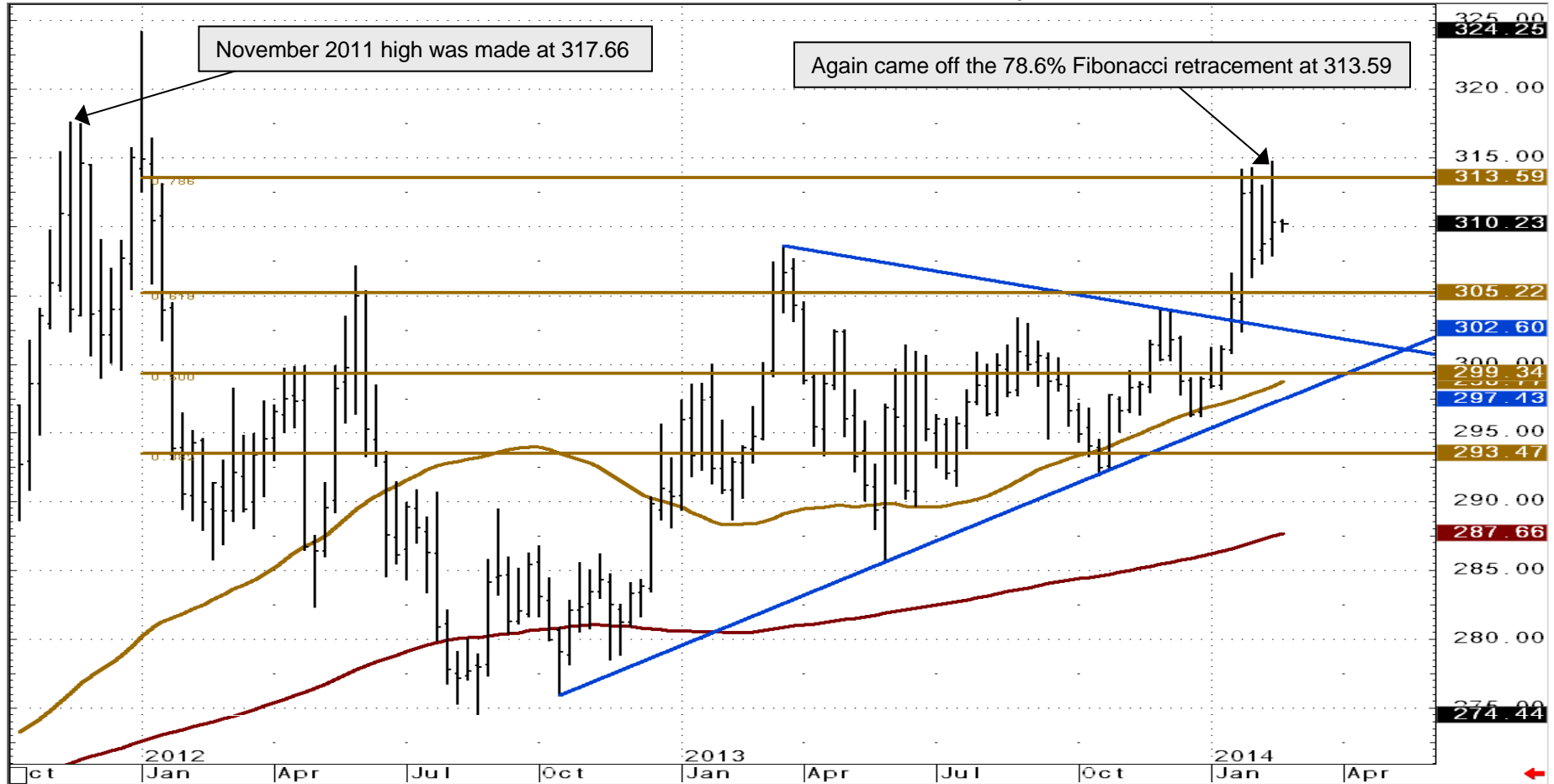


Support	Resistance	1-Week View	1-Month View
308.78&306.91	313.06/314.78	➔	➔
304.08/302.34	317.66&324.25		

EUR/HUF - Weekly Chart

The 78.6% Fibonacci retracement at 313.59 still caps, a rise above which would eye 317.66

EUR/HUF Weekly Chart



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EUR/CZK – Daily Chart

Probes the 27.31/30 support zone, a slip through which will target the 27.18 minor support level

- › Last week EUR/CZK slipped back to the December low at 27.31 and held at the 27.30 level while hovering above this level.
- › Support below 27.30 comes in around the 27.18 November 21 low but as long as 27.30 holds, further sideways trading should be seen.
- › Still further support is to be found at the minor psychological 27.00 level.
- › Minor resistance can be seen along the three month resistance line at 27.56 and then around the March 2007 low at 27.61.
- › Above the December peak at 27.74 sits the August 2006 low at 27.95.

EUR/CZK Daily Chart

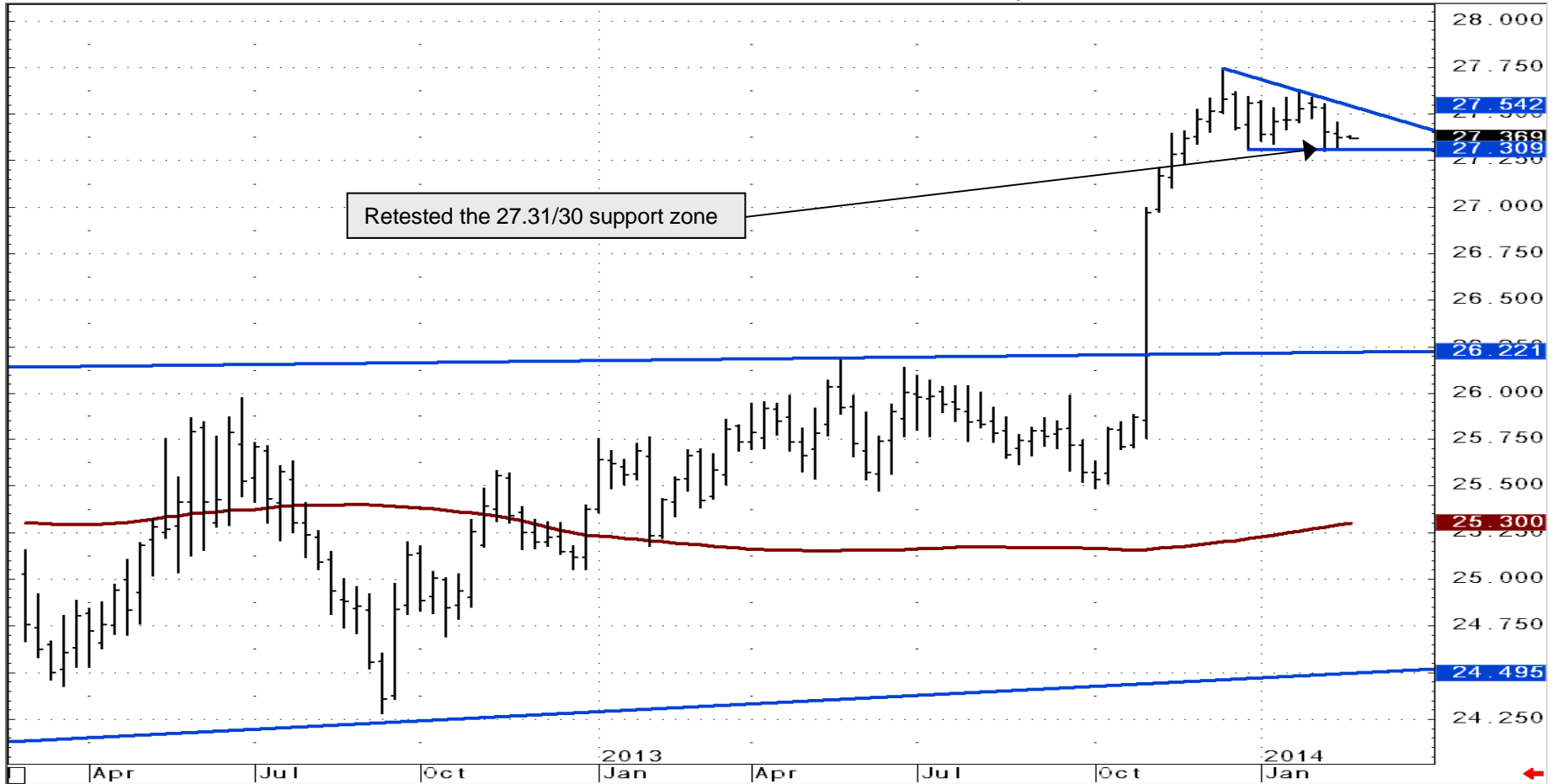


Support	Resistance	1-Week View	1-Month View
27.31/30&27.18	27.46&27.56	➔	➔
27.00&26.88	27.62&27.66		

EUR/CZK - Monthly Chart

Retested the 27.31/30 support zone

EUR/CZK Weekly Chart



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EUR/BRL - Daily Chart

Remains below the October 2008 high at 3.3487 and is seen coming off it in the short term

- › In late January EUR/BRL came within four ticks of the October 2008 peak at 3.3487 before being rejected by it.
- › Even though a short term reversal lower is still taking place, we will retain our medium term bullish outlook while the currency pair does not close below the January low at 3.1562 on a daily chart basis.
- › Support above this level can be seen at the 3.2185 early February low, a slip through which would eye the 2013-14 support line at 3.1725.
- › If 3.3487 were to be overcome, the psychological 3.4000 region and the 2008 high point at 3.4738 will be targeted.
- › Were an unexpected daily chart close below 3.1562 to be seen, the 50% retracement at 3.1258 would be in focus.
- › Our short term view remains neutral at present.

EUR/BRL Daily Chart

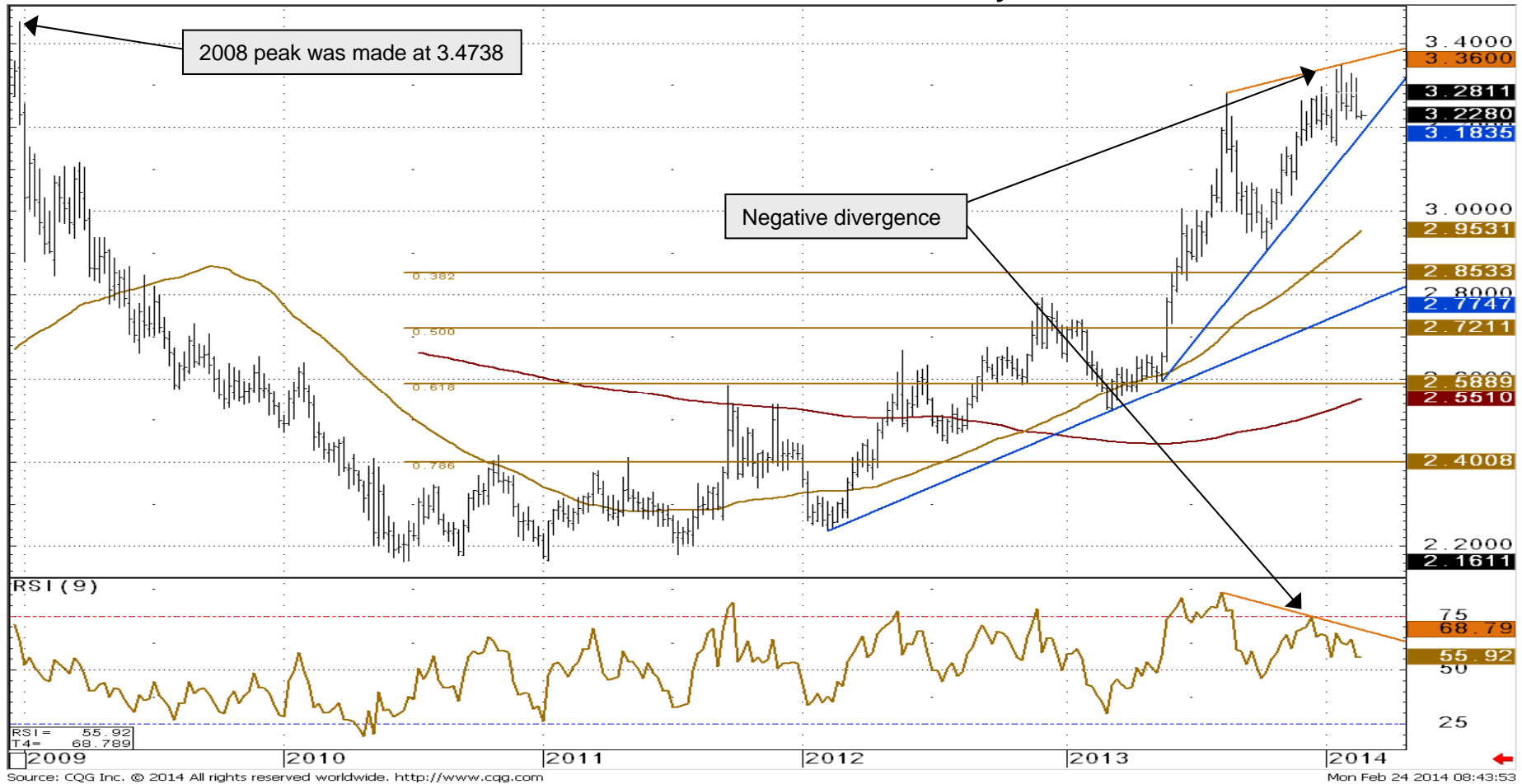


Support	Resistance	1-Week View	1-Month View
3.2185&3.1725	3.2969/3.3290	➔	➔
3.1562&3.1258	3.3487&3.3500		

EUR/BRL - Weekly Chart

Is still showing negative divergence and is likely to consolidate further below its 3.3483 high

EUR/BRL Weekly Chart

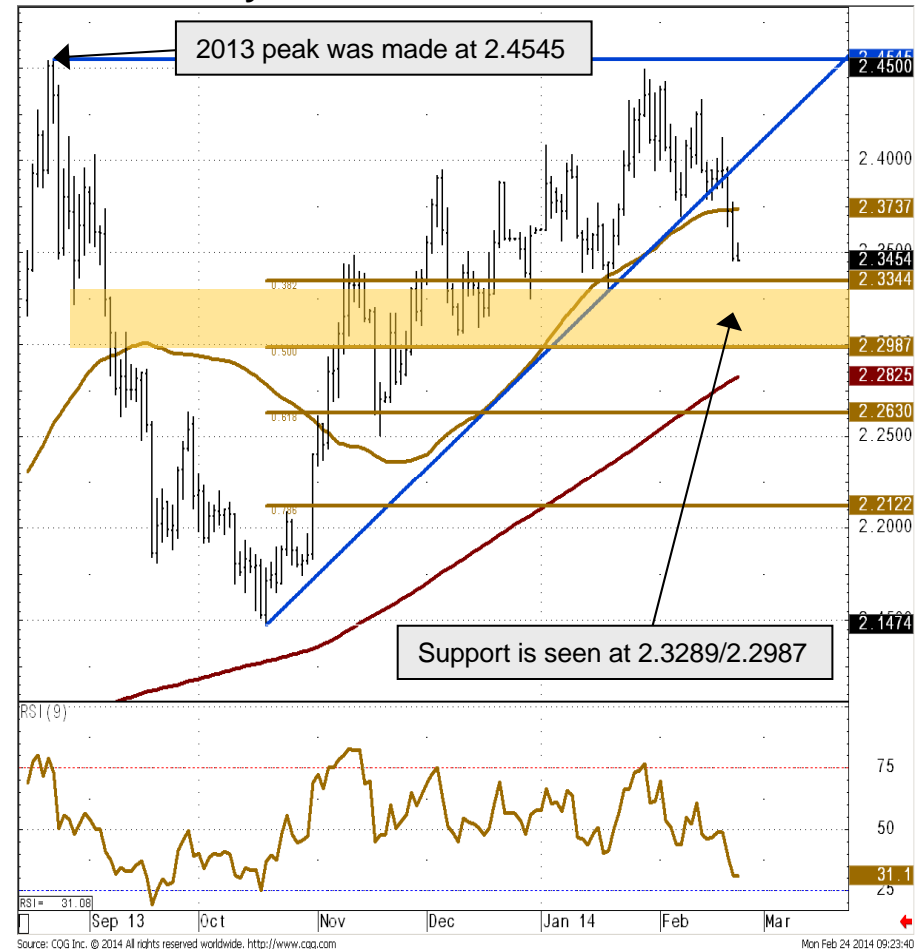


USD/BRL - Daily Chart

Drops towards the 2.3289/2.2987 support zone which is expected to hold, though

- › USD/BRL still comes off its 2.4500 January high which was made only 45 ticks below the 2013 peak at 2.4545.
- › It is currently swiftly heading towards the significant support area made up of the January low at 2.3289, the December trough at 2.3052 and the 50% retracement of the October-to-January rise at 2.2987.
- › This support area we expect to hold. As long as this is the case we will keep our medium term bullish forecast with the 2.4545 high and the 38.2% Fibonacci retracement of the 2002-11 descent at 2.4736 remaining in focus.
- › Other possible upside targets are seen around the psychological 2.5000 mark and at the 2008 peak at 2.6190.
- › In case of unexpected failure at 2.2987, the 200 day moving average at 2.2825 should offer good support. We do not expect to see such a steep drop, though.

USD/BRL Daily Chart

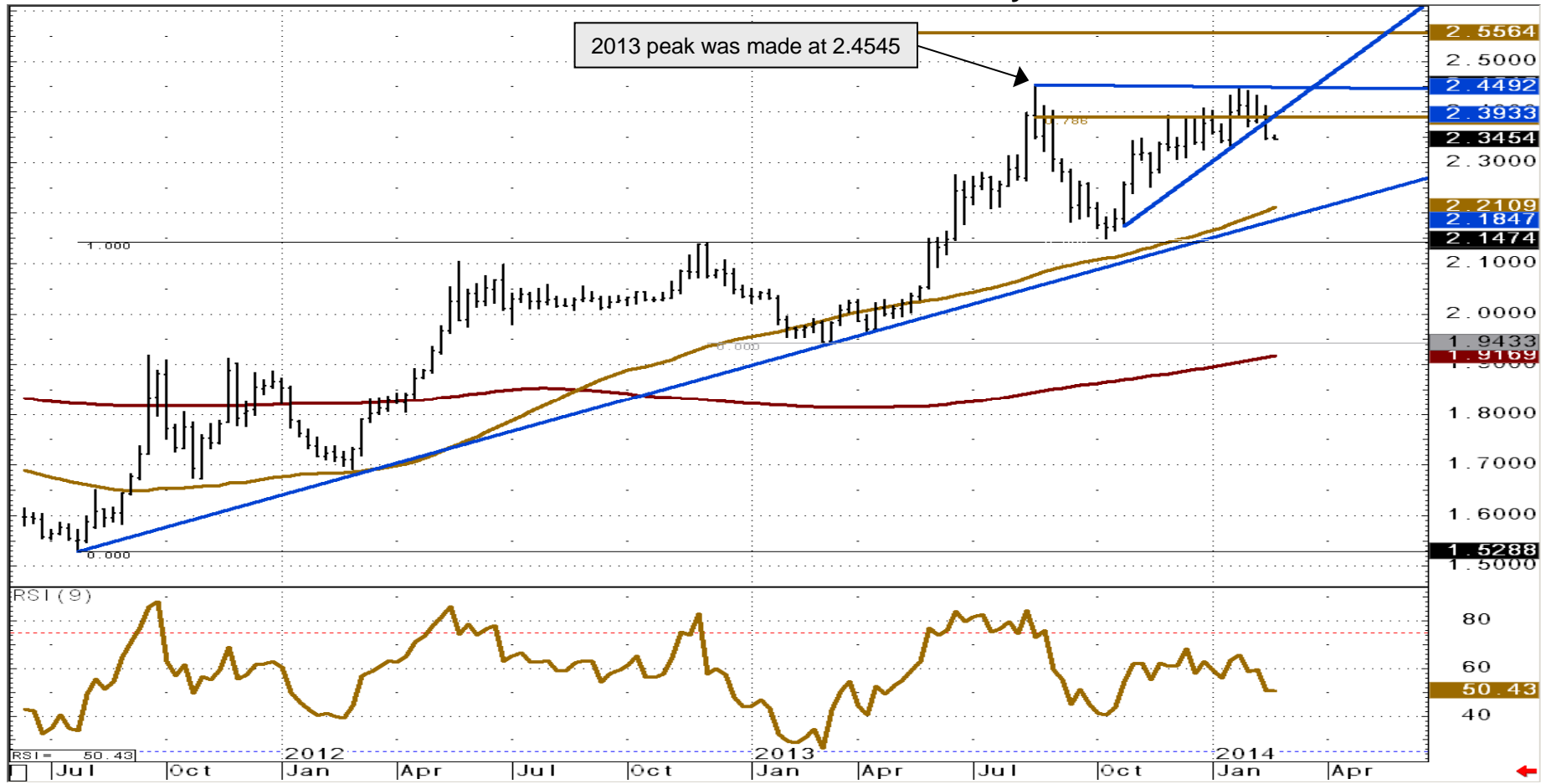


Support	Resistance	1-Week View	1-Month View
2.3289/2.2987	2.3947/2.4124	➔	➔
2.2825&2.2636	2.4328&2.4500		

USD/BRL - Weekly Chart

Is slipping back towards its January low at 2.3289

USD/BRL Weekly Chart



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USD/BRL - Monthly Chart

Continues to trade below the 38.2% Fibonacci retracement at 2.4736

USD/BRL Monthly Chart



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Mon Feb 24 2014 09:23:24

EUR/MXN – Daily Chart

An interim top was formed in January at 18.6944; expect to see further sideways trading

- › EUR/MXN's corrective move lower from its 18.6944 January high has taken it to 17.8359 in early February, a level above which it has been consolidating ever since without being able to reach the 18.5000 region, though.
- › Only a slip through the 2013-14 support line at 17.9757 and failure at the 17.8359 level would put the January low at 17.6637 back on the map.
- › If slipped through, our medium term outlook will revert back to being bearish but for now it remains neutral.
- › Support below 17.6637 comes in around the 200 day moving average at 17.4822 and then at the October and November lows at 17.3347/17.3168. Another potential downside target is the September low at 17.0299.
- › In case of an unexpected rise above the 18.6944 January peak being seen, we would have to allow for the psychological 19.0000 region to be reached.

EUR/MXN Daily Chart

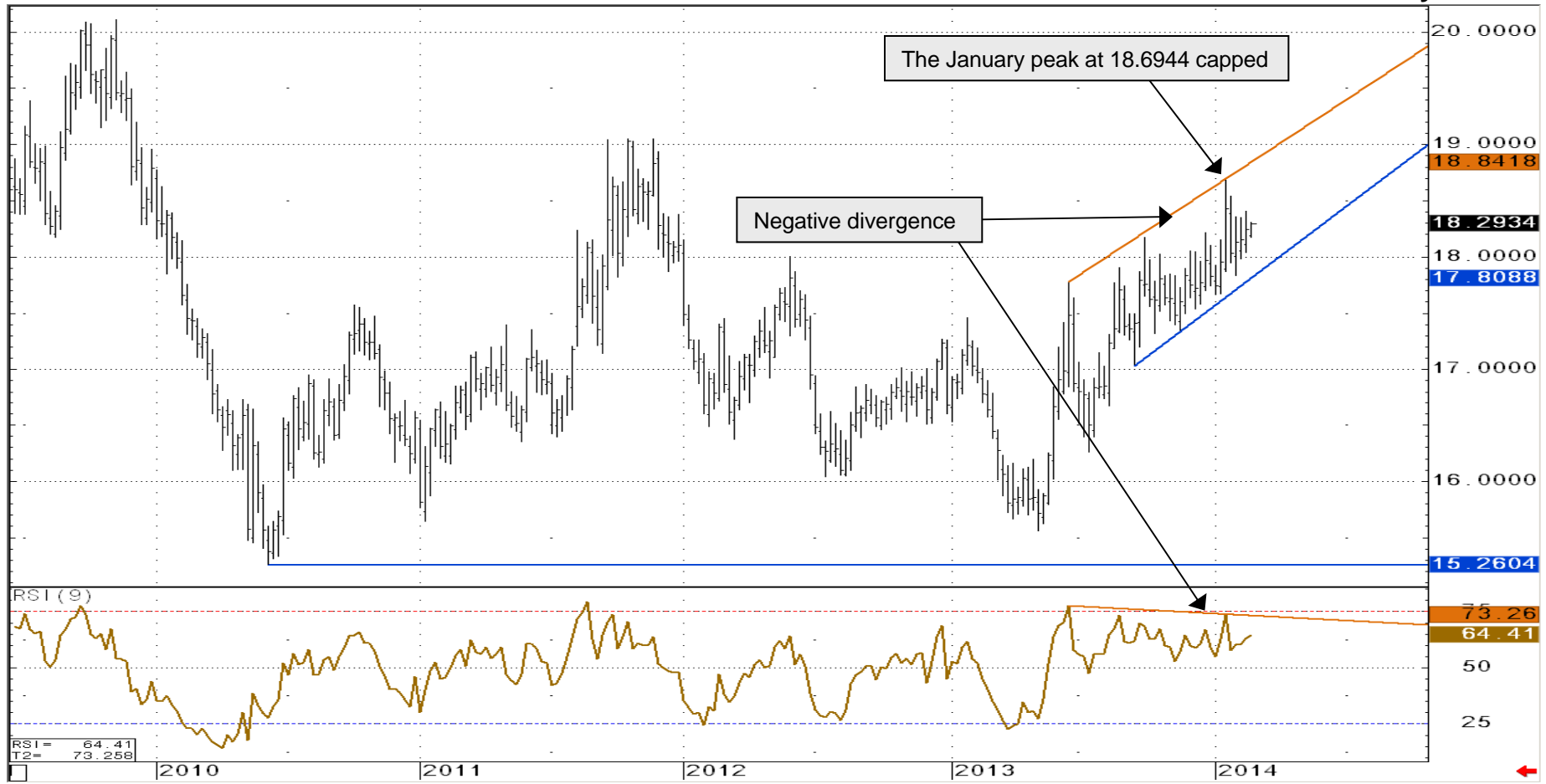


Support	Resistance	1-Week View	1-Month View
17.976&17.836	18.4053/4120	➔	➔
17.664&17.482	18.6944&19.00		

EUR/MXN – Weekly Chart

Remains below the January high at 18.6944 while negative divergence is still being seen

EUR/MXN Weekly Chart



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Mon Feb 24 2014 09:32:09

USD/MXN - Daily Chart

Still consolidates below the 13.6072 January high and could retest support at 13.1874/13.1315

- › Last week USD/MXN came close to the 13.1768 late January low before retesting the 13.4000 resistance zone.
- › We still expect to see further range trading, for a few more days at least, and keep our neutral outlook.
- › The 13.1874/13.1315 support area (late January, February lows, early January high and late December high) is likely to be retested in the near future while USD/MXN remains below the 13.5513 current February high.
- › For renewed upside to be seen, the 13.5513/13.6072 resistance zone will need to be bettered. Once this has happened, the currency pair will target the 13.7767 July high and then the 14.0000 region where the late December 2011 high at 14.0423 and the 2009-14 downtrend line at 14.0697 can be seen.
- › Support below 13.1315 is between the minor psychological 13.0000 level and the 2013-14 support line at 12.9618.

USD/MXN Daily Chart

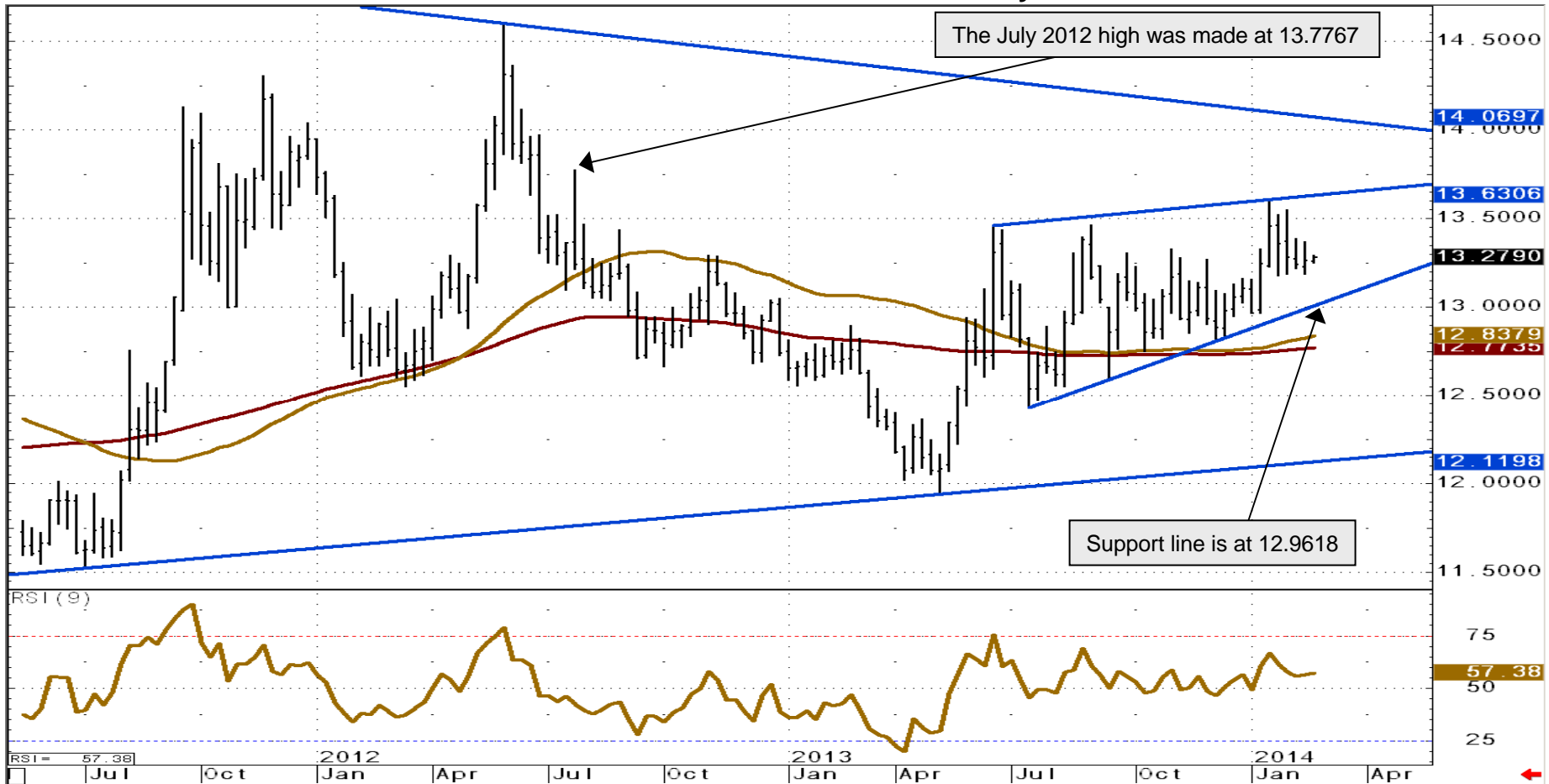


Support	Resistance	1-Week View	1-Month View
13.1874/13.131	13.4622/66	➔	➔
13.0000/12.928	13.551/13.607		

USD/MXN - Weekly Chart

Still consolidates below its 13.6072 January peak

USD/MXN Weekly Chart



EUR/TRY - Daily Chart

We will maintain our neutral short term forecast while the 2.9709/2.9375 support area holds

- › EUR/TRY's slide from its all-time high at 3.2723 in late January has taken it back towards the 2.9537 late January low without quite reaching it, though.
- › The whole area seen between the 55 day moving average at 2.9710 and the January low at 2.9375 should offer good support, if retested that is. We therefore keep hold of our neutral short term view and still allow for another spike higher to be seen while this support area underpins.
- › While the currency pair trades above its January low at 2.9375 on a daily chart closing basis, we may still see the 161.8% and 261.8% Fibonacci extension cluster at 3.3155/3.3633 being hit. This is why we have still not neutralised our medium term forecast. We will keep our longer term bullish outlook while EUR/TRY stays above its 2.6931 November low. Failure at 2.9375 would negate our bullish medium term forecast and lead us to target the 2.8218 late December low over the coming months.

EUR/TRY Daily Chart

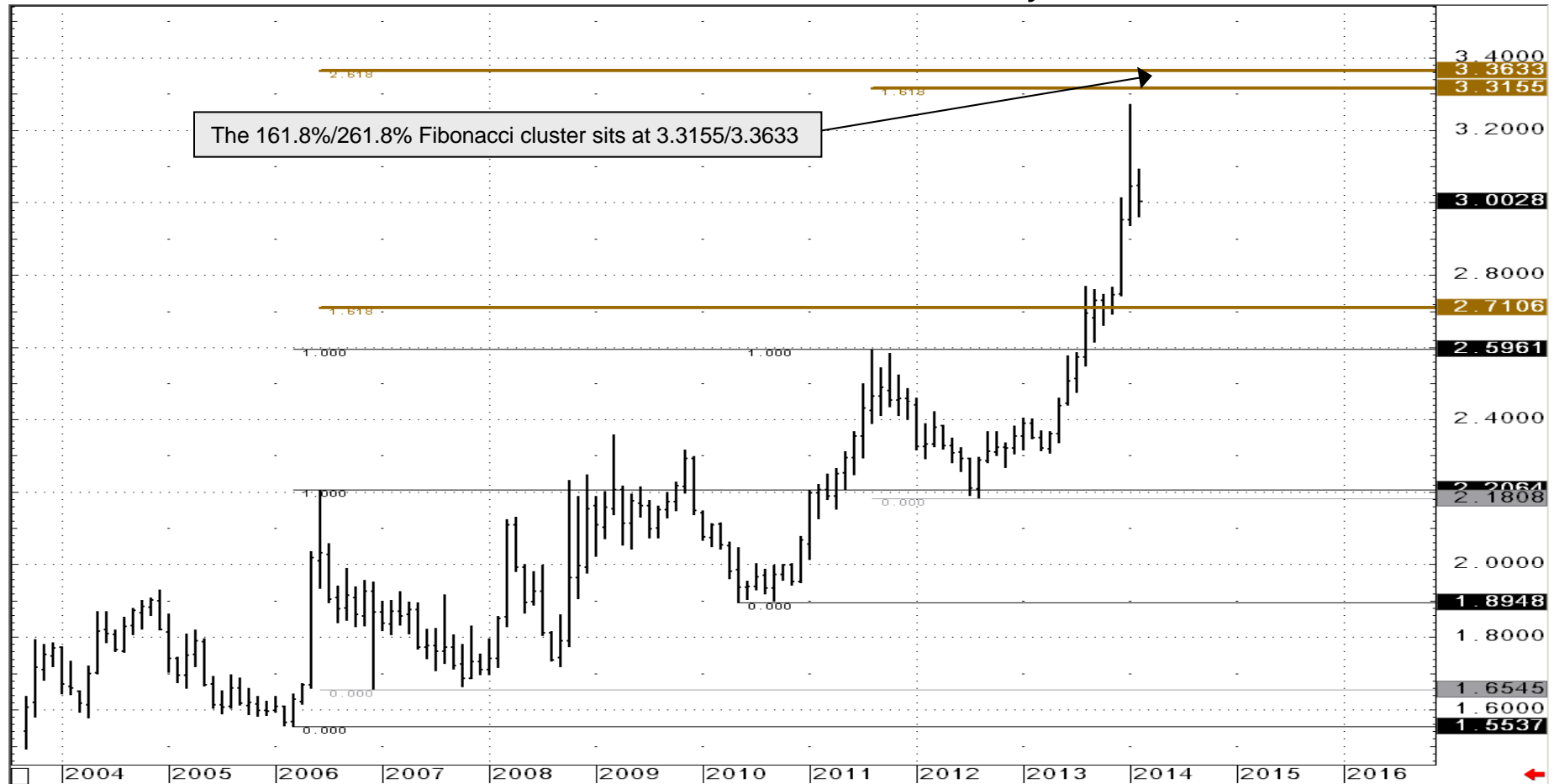


Support	Resistance	1-Week View	1-Month View
2.9710/2.9375	3.0590&3.1000	➔	➔
2.9135&2.8218	3.1629&3.2723		

EUR/TRY - Monthly Chart

Nearly reached the 161.8%/261.8% Fibonacci cluster at 3.3155/3.3633

EUR/TRY Monthly Chart



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USD/TRY - Daily Chart

Has reached the 2.1748/2.1582 support area which we expect to underpin

- › USD/TRY has further come off its all-time January high at 2.3893 and so far slipped to 2.1717, a level close to the 2.1635 late January low.
- › The 2.1748/2.1582 support area, made up of the 55 day moving average as well as the January 7 and 29 lows, is being revisited but we expect it to hold on a daily chart closing basis.
- › Should it be slipped through, though, the three month support line at 2.1251 and the late December low at 2.1125 will be back in the picture.
- › Minor resistance is seen around the February 10 high at 2.2360 and then at the January 29 high at 2.3220 with more important resistance being found at the January 2.3893 all-time high.
- › Above it lies the psychological 2.4000 region which may still be hit in the months to come as long as 2.1582 holds.

USD/TRY Daily Chart

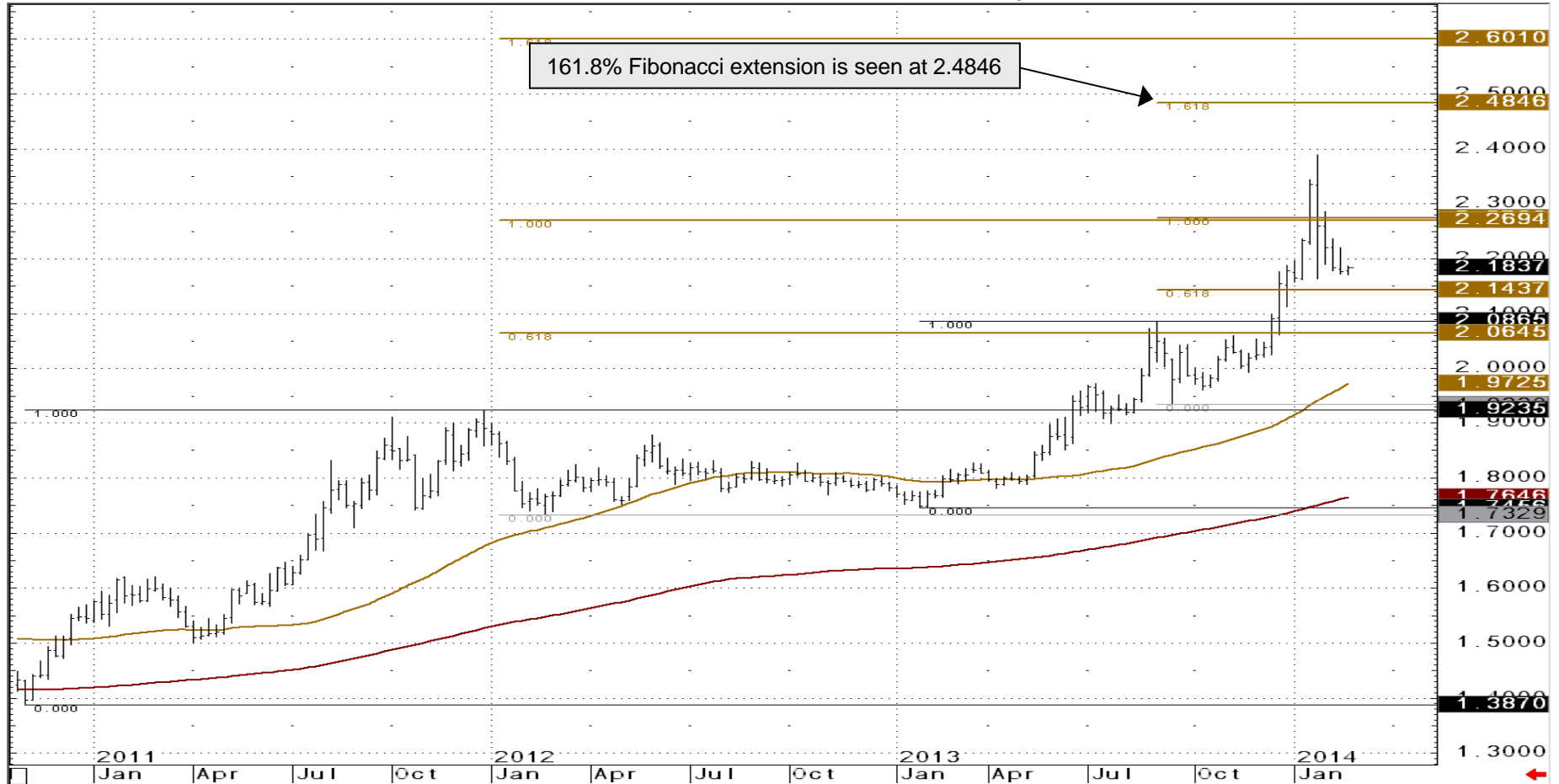


Support	Resistance	1-Week View	1-Month View
2.1748/2.1582	2.2360&2.3220	➔	➔
2.1450&2.1251	2.3893&2.4846		

USD/TRY - Weekly Chart

Consolidates below the all-time high at 2.3893

USD/TRY Weekly Chart



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USD/ZAR - Daily Chart

Still consolidates below the 11.3915 January high, a rise above which will eye the 2008 peak

- › USD/ZAR's rally to the 11.3915 January high was followed by a consolidation back to the 10.8165 level last week for it to then bounce back to the 11.1104 level.
- › While no daily chart close below the 10.7938 January 20 low is being made, we will retain our medium term bullish forecast. For now we will keep our neutral short term outlook, though.
- › Only a rise above the January peak at 11.3915 will push the 2008 peak at 11.8708 to the fore.
- › Above it lies the psychological 12.0000 level and longer term the 2001 peak at 13.8500 (please have a look at the monthly chart on the following page).
- › While the currency pair remains above the 55 day moving average at 10.7674, we will keep our longer term bullish forecast.

USD/ZAR Daily Chart

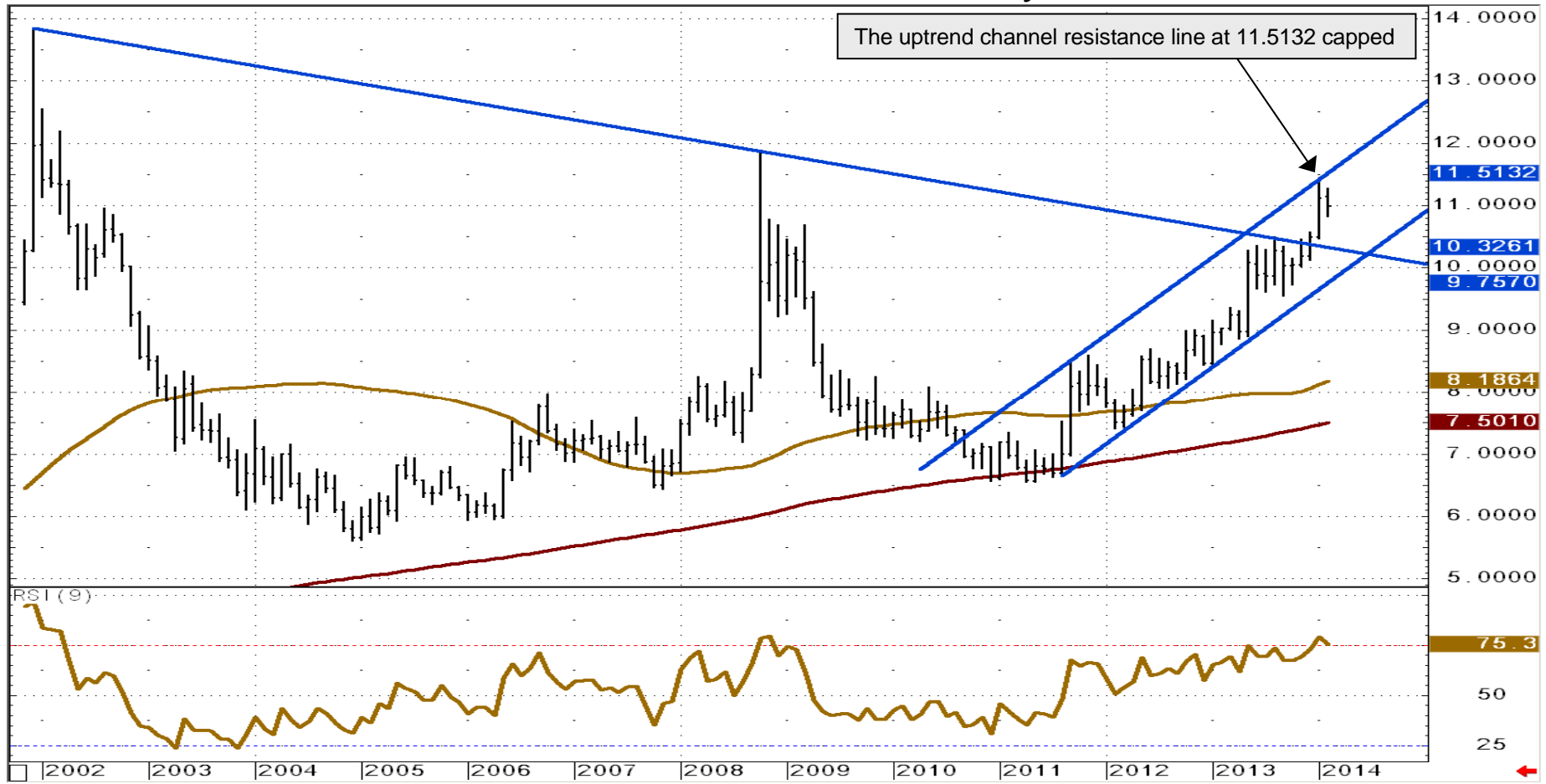


Support	Resistance	1-Week View	1-Month View
10.816/10.7938	11.110/11.183	➔	➔
10.767&10.631	11.391&11.871		

USD/ZAR - Monthly Chart

Consolidates below the 11.3915 January high which was made near the 2008 peak at 11.8708

USD/ZAR Monthly Chart



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Rouble Basket - Daily Chart

Comes off its all-time high at 41.96 which is why we have neutralised our medium term forecast

- › Last week the rouble basket made a new all-time high at 41.96 before sliding back towards the 2009 peak a 41.05.
- › Since the 161.8% Fibonacci retracement of the 2012 rise, projected higher from the 2013 low, at 41.88 has been reached and provoked failure we have decided to neutralise our medium term forecast. Please see the weekly chart on the following page.
- › The negative divergence seen on the daily RSI also makes us think that a correction back towards the two month support line at 40.93 is now in store while 41.96 caps.
- › Minor support below 40.93 comes in between the 40.11 current February low and the psychological 40.00 mark.
- › While the rouble basket trades above the latter level, general upside pressure should be maintained. If not, we will have to allow for a slip back to the 39.50/43 region.

Rouble Basket Daily Chart

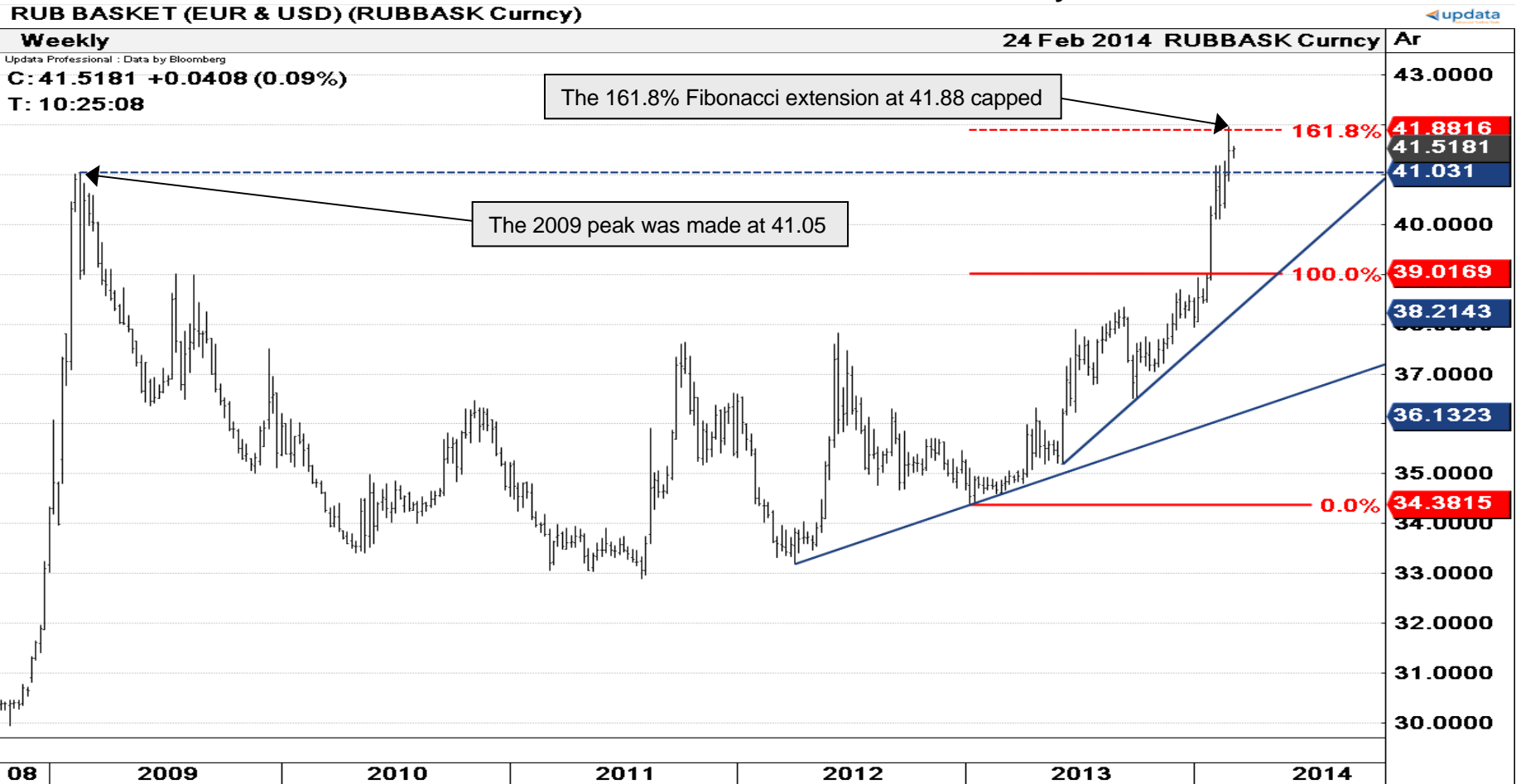


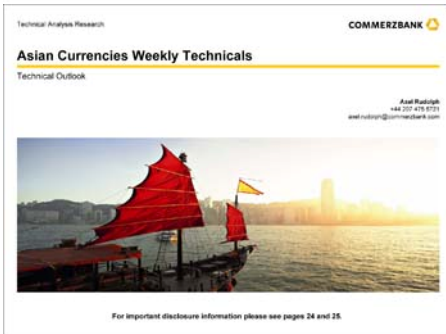
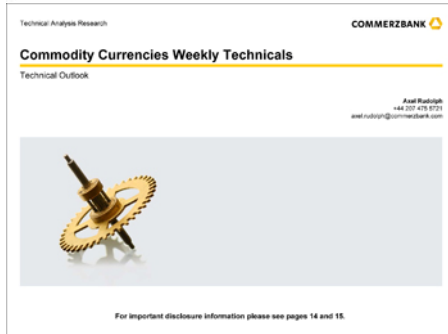
Support	Resistance	1-Week View	1-Month View
41.19/05&40.93	41.88/96&42.0	➔	➔
40.11/00&39.50	42.50&43.00		

Rouble Basket - Weekly Chart

The 161.8% Fibonacci extension at 41.88 capped

Rouble Basket Weekly Chart





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 Techn., 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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Frankfurt	London	New York	Singapore Branch	Hong Kong Branch
Commerzbank AG	Commerzbank AG London Branch	Commerz Markets LLC	Commerzbank AG	Commerzbank AG
DLZ - Gebäude 2, Händlerhaus Mainzer Landstraße 153 60327 Frankfurt	PO BOX 52715 30 Gresham Street London, EC2P 2XY	2 World Financial Center, 32nd floor New York, NY 10020-1050 Tel: + 1 212 703 4000	71 Robinson Road, #12-01 Singapore 068895 Tel: +65 631 10000	29/F, Two IFC 8 Finance Street Central Hong Kong Tel: +852 3988 0988



Karen Jones
Head of FICC Technical Analysis

Tel. +44 207 475 1425
Mail karen.jones@commerzbank.com

Axel Rudolph
Senior Technical Analyst

Tel. +44 207 475 5721
Mail axel.rudolph@commerzbank.com

Zentrale
Kaiserplatz
Frankfurt am Main
www.commerzbank.de

Postfachanschrift
60261 Frankfurt am Main
Tel. +49 (0)69 / 136-20
Mail info@commerzbank.com