

# Commodity Currencies Weekly Technicals

Wednesday, 31 July 2013

## Technical Outlook

<p><b>1</b> Technical Analysis Banks Commerzbank</p> <p>Source: Euromoney FX Poll 2012</p> <p>2012  <b>EUROMONEY</b></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  <b>the technical analyst</b></p>	<p><b>2</b> Technical Analysis Commerzbank</p> <p>Source: Euromoney FX Survey 2013</p> <p>2013  <b>EUROMONEY</b></p>
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**Karen Jones**  
+44 207 475 1425  
Karen.jones@commerzbank.com



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# Technical Outlook

Commodity currencies are under pressure

Market	Short term view (1–3 weeks)
NZD/USD:	Correction higher has terminated ahead of the 3 month downtrend and resumed its longer term down move.
USD/CAD:	Market has reacted back to and is recovering from a double Fibbo support at 1.0236/42
EUR/AUD:	Acceleration higher targets 1.5016 then 1.5463
EUR/NZD:	Bid in its range, attention is on the 2011-2013 downtrend at 1.6991
EUR/CAD:	EUR/CAD breaking higher – focus is on 1.3818/33

# NZD/USD - Daily Chart

Correction higher has terminated ahead of the 3 month downtrend and resumed its longer term down move.

- › NZD/USD has seen 3 failures at .8107 and failed ahead of the 3 month downtrend at 0.8148. The Elliot wave count has marked this as wave '4' and we look for the resumption of downside pressure. Our short term downside target is 0.7683, the June low.
- › We will retain our medium term bearish forecast while the currency pair stays below its .8139 June peak and the 200 day ma at .8229.
- › Our medium term downside target zone is made up of the .7456/.7371 May 2012 low and November 2011 low. These remain our downside targets for the months to come.
- › Very near term the market has found some support at the 55 day ma at 0.7941, rebounds from here are expected to remain tepid.

NZD/USD Daily Chart



Support	Resistance	1-Week View	1-Month View
.7941	.8107	➔	➔
7760/.7895	.8139/54		

# NZD/USD - Weekly Chart

Rebound viewed as corrective only

NZD/USD Weekly Chart



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# USD/CAD - Daily Chart

Market has reacted back to and is recovering from a double Fibon support at 1.0236/42

- USD/CAD has sold off to and is showing signs of recovery just ahead of the 1.0242/36 double Fibonacci support (the 61.8% retracement of the move up from May and the 38.2% retracement of the move up from 2012). Between this support and the 10 month uptrend at 1.0110 we should see the currency pair stabilise and recover.
- Rallies will find initial resistance at 1.0351 (55 day ma) ahead of the 1.0441 16<sup>th</sup> July high. The market will have to overcome this resistance in order to alleviate downside pressure and re-focus attention on the 1.0608 July high.
- In view of the impulsive surge higher having been made over the past few months, further upside remains in store for the months to come once the current consolidation has run its course. The 1.0656/75 resistance area (July and August 2010 highs and the 2011 peak) will be targeted once the current July high at 1.0608 has been overcome on a daily chart closing basis.
- Another potential longer term upside target can be seen around the 2010 peak at 1.0850, made in May of that year.

USD/CAD Daily Chart



Support	Resistance	1-Week View	1-Month View
1.0236/42	1.0351+1.0441	➔	➔
1.0135/10	1.0608&1.0655		

# USD/CAD - Weekly Chart

Is correcting lower from the July peak at 1.0608

USD/CAD Weekly Chart



# EUR/AUD - Daily Chart

Acceleration higher targets 1.5016 then 1.5463

- EUR/AUD has seen a massive acceleration on the topside and appears to have resumed its bull trend. The market has accelerated higher through the 1.4342 2011 high. We have some resistance at 1.4767 (Elliott) ahead of the 1.5244/38.2% retracement (of the move down from 2008 to 2012). **Our targets however are the July 2010 high at 1.5016 as well as the May 2010 peak at 1.5463**
- Dips lower will find support at 1.4186 ahead of the more important 1.4035/1.3971 support (uptrend and 55 day ma). Intraday we note that the Elliott wave count on the 240 minute chart suggests we should allow for a minor dip to 1.4590/10 ahead of further gains
- Only loss of the 55 day ma (at 1.3971) will abort current upside efforts and suggest a deeper retracement to 1.3192 February high

## EUR/AUD Daily Chart

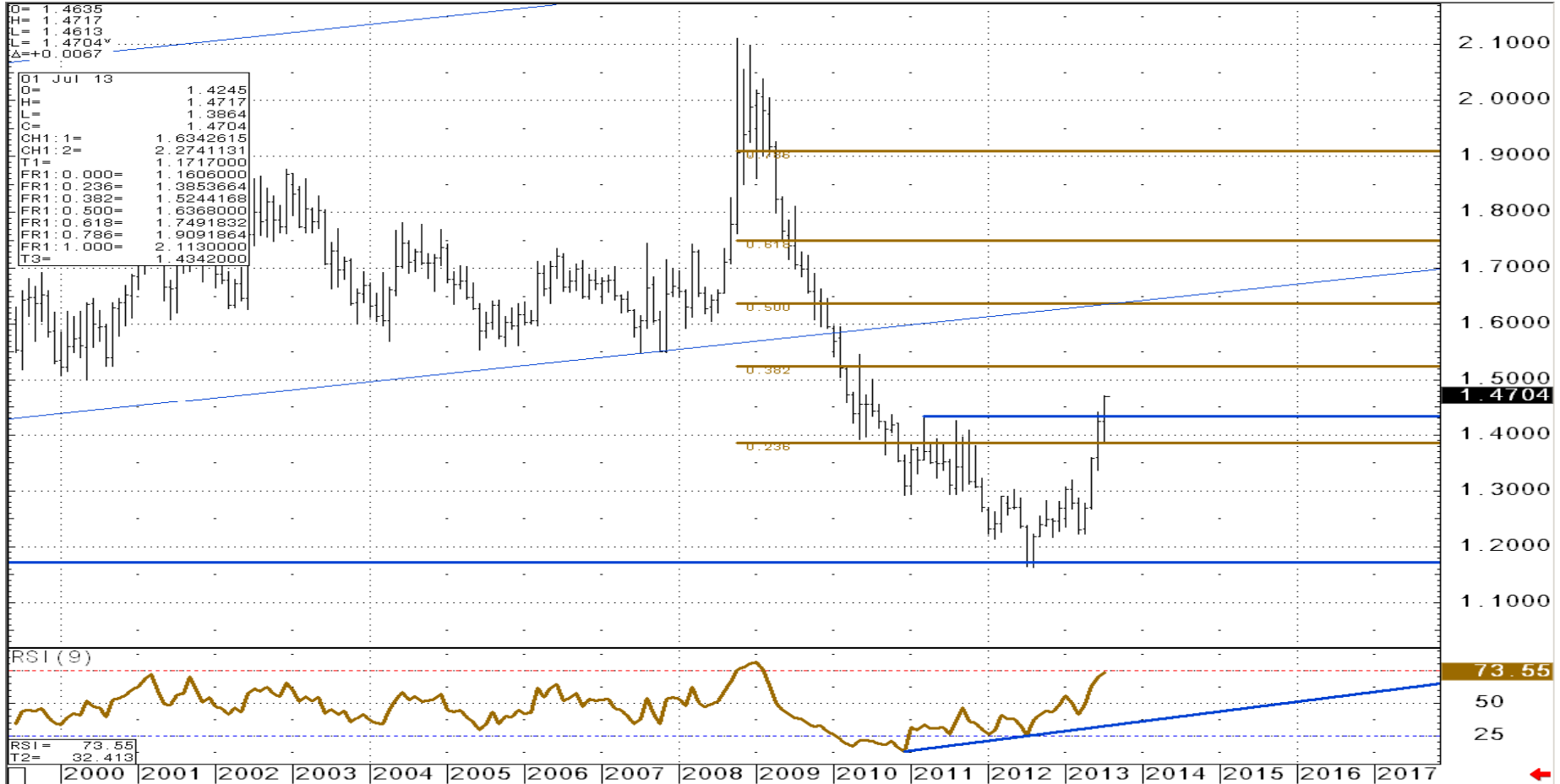


Support	Resistance	1-Week View	1-Month View
1.4324+	1.4797	➔	➔
1.4052&1.3928	1.5016&1.5463		

# EUR/AUD - Monthly Chart

Resistance at 1.4264/1.4416 eroded

EUR/AUD Monthly Chart



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# EUR/NZD - Daily Chart

Bid in its range, attention is on the 2011-2013 downtrend at 1.6991

- › EUR/NZD appears to be attempting to stabilise and recover, it is, we suspect, trying to consolidate ahead of tackling the 2011-2013 downtrend at 1.6991. Generally we view the market as base building longer term.
- › Currently while dips hold over the 1.6229 10<sup>th</sup> July low an upside bias is maintained. Initial support is the low charted last week at 1.6396.
- › Once a daily close above 1.6991 is seen, this should be enough to trigger a retest of the 1.7116 recent high. Above here targets the 200 week moving average at 1.7273, August and September 2011 highs at 1.7752/76 as well as the November 2011 peak at 1.8135.
- › Failure at 1.6229 would alleviate immediate upside pressure for a slide to the 200 day moving average at 1.5917 could be seen before another up leg is being made.

EUR/NZD Daily Chart



Support	Resistance	1-Week View	1-Month View
1.6396	1.6991	➔	➔
1.6229	1.7252/73		

# EUR/NZD - Weekly Chart

Recent consolidation is ongoing

EUR/NZD Weekly Chart



# EUR/CAD - Daily Chart

EUR/CAD breaking higher – focus is on 1.3818/33

- › EUR/CAD is breaking higher from a contracting range and is well placed to tackle the June 1.3818 high. The market is immediately bid above the 55 day ma at 1.3554.
- › Directly above the 1.3818 high lies the 1.3832 2012-2013 resistance line (see weekly chart).
- › Only once the 1.3818/33 zone has been exceeded, will the 78.6% Fibonacci retracement of the 2012 drop at 1.3899 and then the 1.4000 region be targeted.
- › Should 1.3431 (the recent low) unexpectedly give way, the one year support line at 1.3328 and also the 200 day moving average at 1.3082 could be revisited before the medium term uptrend resumes. This is not our preferred scenario.

EUR/CAD Daily Chart

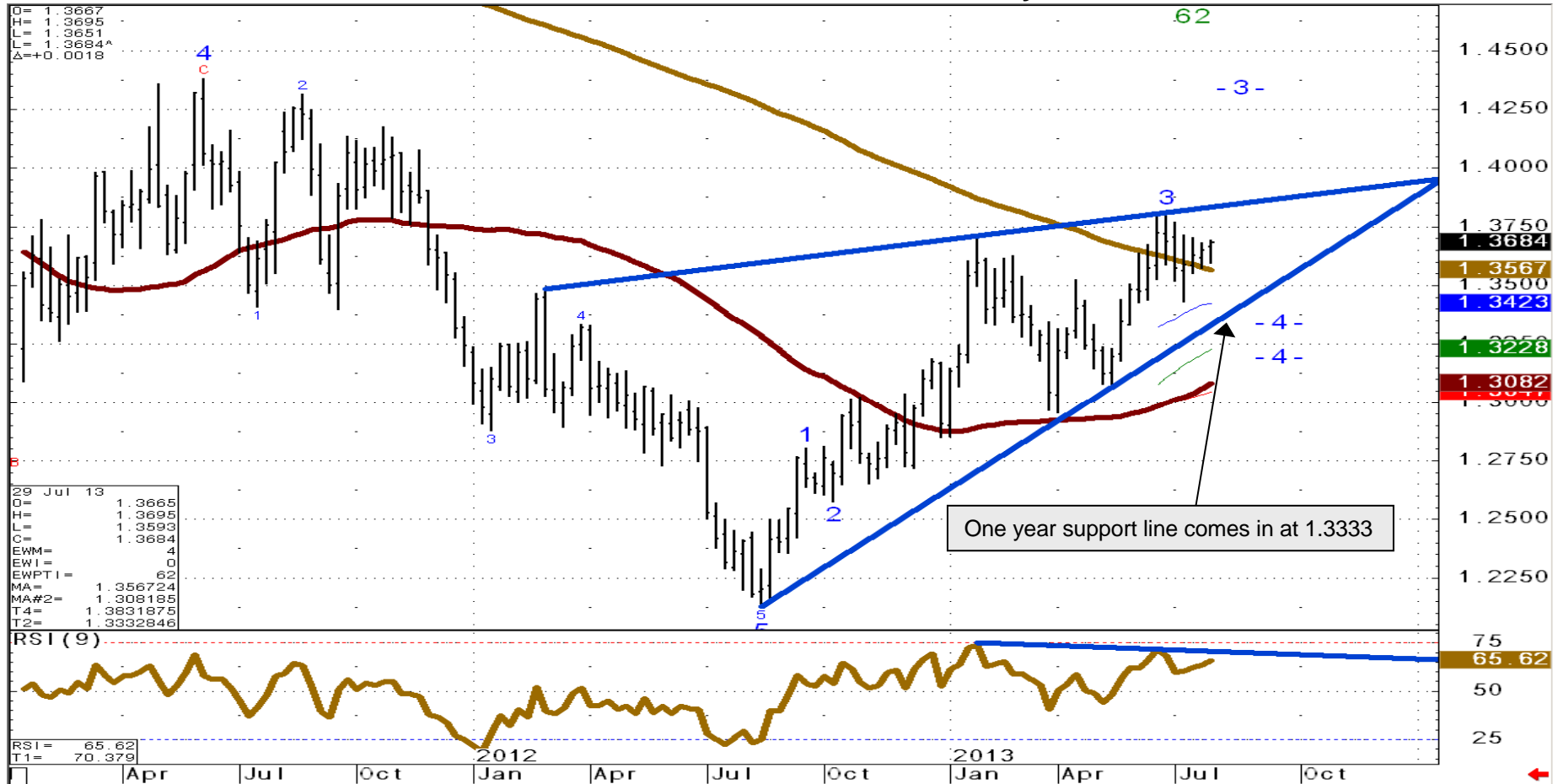


Support	Resistance	1-Week View	1-Month View
1.3554/1.3431	1.3710/70	➔	➔
1.3328	1.3818/32		

# EUR/CAD - Weekly Chart

Well placed to tackle its resistance line and 19 month high at 1.3818/32

EUR/CAD Weekly Chart



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**Daily Market Technicals**  
FX Outlook




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Karen Jones  
+44 202 475 1620  
karen.jones@commerzbank.com

Azul Rutiglian  
+44 202 475 6721  
azul.rutiglian@commerzbank.com

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**Strategic Technical Themes**  
Weekly Outlook and Technical Highlights



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Karen Jones  
+44 202 475 1620  
karen.jones@commerzbank.com

Azul Rutiglian  
+44 202 475 6721  
azul.rutiglian@commerzbank.com

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For important disclosure information please see pages 16 and 15

Azul Rutiglian  
+44 202 475 6721  
azul.rutiglian@commerzbank.com

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For important disclosure information please see pages 12 and 14

Azul Rutiglian  
+44 202 475 6721  
azul.rutiglian@commerzbank.com

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Azul Rutiglian  
+44 202 475 6721  
azul.rutiglian@commerzbank.com

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For important disclosure information please see pages 21 and 22

Karen Jones  
+44 202 475 1620  
karen.jones@commerzbank.com

Azul Rutiglian  
+44 202 475 6721  
azul.rutiglian@commerzbank.com

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Technical Outlook



For important disclosure information please see pages 24 and 25

Azul Rutiglian  
+44 202 475 6721  
azul.rutiglian@commerzbank.com

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Technical Outlook



For important disclosure information please see pages 33 and 34

Karen Jones  
+44 202 475 1620  
karen.jones@commerzbank.com

Azul Rutiglian  
+44 202 475 6721  
azul.rutiglian@commerzbank.com

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DLZ - Gebäude 2, Händlerhaus Mainzer Landstraße 153 60327 Frankfurt	PO BOX 52715 30 Gresham Street London, EC2P 2XY	2 World Financial Center, 31st floor New York, NY 10020-1050	71 Robinson Road, #12-01 Singapore 068895	29/F, Two IFC 8 Finance Street Central Hong Kong
Tel: + 49 69 136 21200	Tel: + 44 207 623 8000	Tel: + 1 212 703 4000	Tel: +65 631 10000	Tel: +852 3988 0988



**Karen Jones**  
Head of FICC Technical Analysis

Tel. +44 207 475 1425  
Mail [karen.jones@commerzbank.com](mailto:karen.jones@commerzbank.com)

**Axel Rudolph**  
Senior Technical Analyst

Tel. +44 207 475 5721  
Mail [axel.rudolph@commerzbank.com](mailto:axel.rudolph@commerzbank.com)

Zentrale  
Kaiserplatz  
Frankfurt am Main  
[www.commerzbank.de](http://www.commerzbank.de)

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