

FX Emerging Markets Weekly Technicals

Monday, 15 July 2013

Technical Outlook

1 Technical Analysis Banks Commerzbank <small>Source: Euromoney FX Poll 2012</small> <small>2012</small> 	2 FICC Technical Analysis Research Team Best FX Research and Strategy Commerzbank <small>Source: The Technical Analyst Magazine Awards 2012</small> <small>2012</small> 	2 FICC Technical Analysis Research Team – Best FX Research and Strategy Commerzbank <small>Source: Technical Analyst Magazine Awards 2013</small> <small>2013</small> 	2 Technical Analysis Commerzbank <small>Source: Euromoney FX Survey 2013</small> <small>2013</small> 
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For important disclosure information please see the end of the document.

Technical Outlook

Further consolidation in EM currencies versus the US Dollar and the Euro continues to be seen

Market	Short term view (1-3 weeks)
EUR/PLN:	Looks to be short term sidelined below the 4.3708 June high, medium term remains bullish, however.
EUR/HUF:	Once again trades back around the 200 day moving average at 292.15 and stays sidelined.
EUR/CZK:	Medium term still targets the 26.13/195 resistance zone which it may well overshoot.
USD/BRL:	Is trying to overcome its four year high at 2.2802 and targets the 2.3000/2.3222 resistance area.
USD/MXN:	Drops back towards the 200- and 55-day moving averages at 12.6966/12.6646 which could hold.
USD/TRY:	The uptrend has further to go with the psychological 2.0000 level being in focus.
USD/ZAR:	Is being sidelined around the 10.0000 level while still keeping the June peak at 10.3610 in view.
Rouble Basket:	Still consolidates below its 3 ¼ year high at 37.89 but remains medium term bullish.

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

The Hungarian Forint continues its appreciation versus the Euro

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



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

15 Jul 2013 PLNEUR

Ar

Update Professional : Data by Bloomberg

C: 0.23299 +0.00029 (0.12%)

T: 08:18:11

2013 performance to date

Hungarian Forint -0.13%

Czech Koruna -3.56%

Polish Zloty -4.92%

102.0000
101.5000
101.0000
100.5000
99.8666
99.5000
99.0000
98.5000
98.0000
97.5000
97.0000
96.4368
96.0000
95.5000
95.0841
94.5000
94.0000
93.5000
93.0000

2013

Jan

Feb

Mar

Apr

May

Jun

Jul

Aug

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

The Mexican Peso remains strong versus the US Dollar and continues to appreciate

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

update

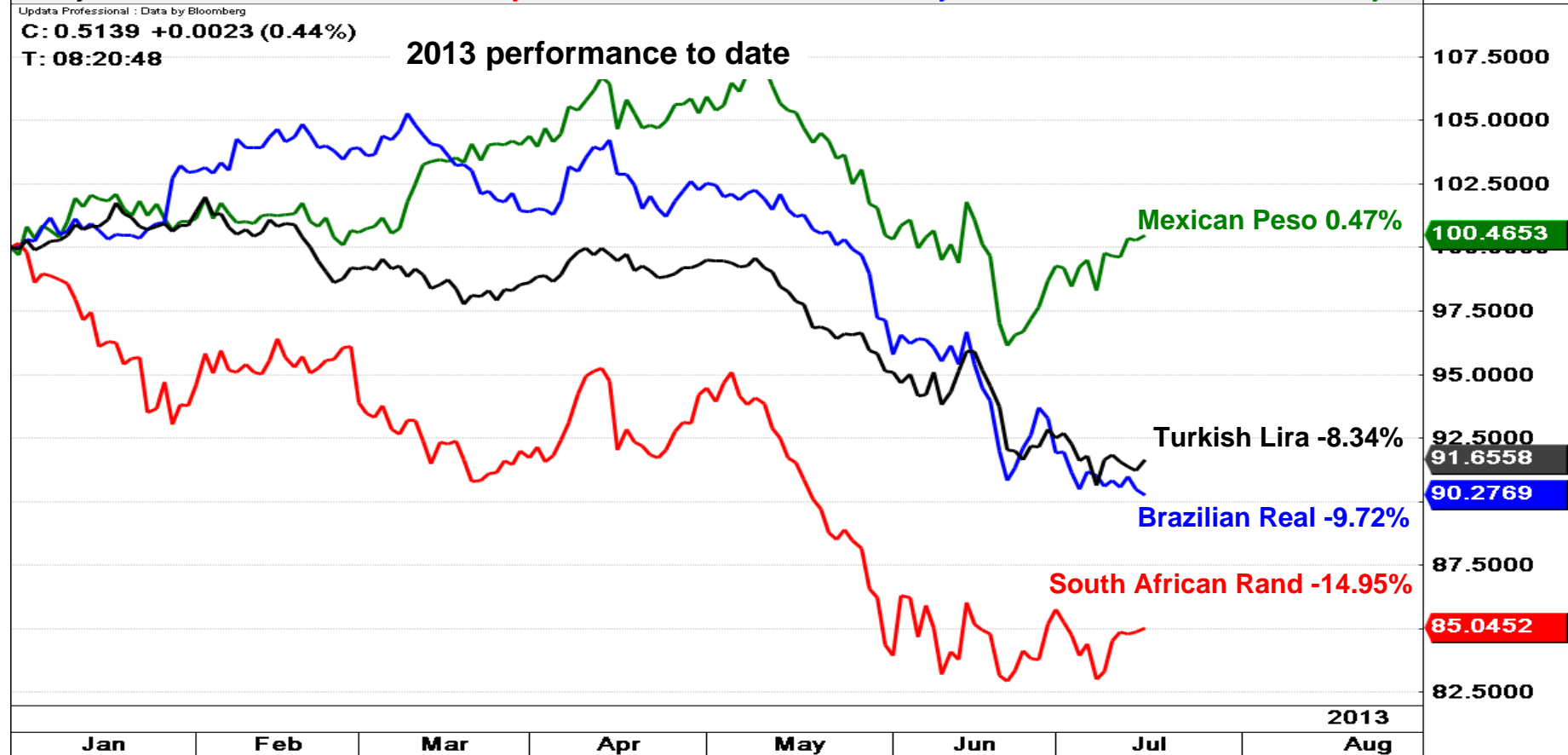
Daily TRYUSD Rebase ZARUSD Curncy 31/12/12 Rebase BRLUSD Curncy 31/12/12 Rebase MXNUSD Curncy 31

Update Professional : Data by Bloomberg

C: 0.5139 +0.0023 (0.44%)

T: 08:20:48

2013 performance to date



EUR/PLN - Daily Chart

Looks to be short term sidelined below the 4.3708 June high but medium term remains bullish

- › The jury is still out as to whether the minor correction lower in EUR/PLN from its one year high at 4.3708 to the early July low at 4.2638 has run its course but medium term the 4.4125/4.4315 resistance area, made up of the 2009-13 resistance line and the May 2012 peak, remains in view.
- › En route lies the June high at 4.3708 which first needs to get exceeded, however.
- › The currency pair's advance is likely to run out of steam in the 4.4147/4.4315 resistance area.
- › Should it be bettered, the 4.5334 September 2011 high and also the 2011 peak at 4.5993 will be back in the picture
- › Medium term we will retain our bullish forecast while EUR/PLN remains above its 4.2037 June low. Support below the current July low at 4.2638 but above the 4.2037 June low can be seen along the 55 day moving average at 4.2452.

Support	Resistance	1-Week View	1-Month View
4.2638&4.2452	4.3273&4.3474	➔	➡
4.2223&4.2143	4.3708&4.4147		

EUR/PLN Daily Chart



EUR/PLN - Weekly Chart

Still targets the 4.4125/4.4315 resistance area around which it should stall

EUR/PLN Weekly Chart



EUR/HUF - Daily Chart

Once again trades back around the 200 day moving average at 292.15 and stays sidelined

- › EUR/HUF has once again slipped to the 200 day moving average at 292.15 around which it is expected to oscillate this week as well.
- › Provided that it remains above its June low at 289.62 on a chart closing basis, the five month resistance line at 299.18 and the June peak at 301.44 will remain in focus. Between these levels and the 302.56 late April high EUR/HUF may struggle, though.
- › At present EUR/HUF is under pressure and may slip a little further still.
- › Having said that, we will retain our medium term bullish forecast while the currency pair stays above the 285.62 May low.
- › We are still long at 289 with a raised stop at 289.50 and targeting 305 and above in the weeks to come.

EUR/HUF Daily Chart



EUR/HUF - Weekly Chart

Continues to range trade but still looks to be short term under pressure

EUR/HUF Weekly Chart



EUR/CZK - Daily Chart

Medium term still targets the 26.13/195 resistance zone which it may well overshoot

- › EUR/CZK's correction lower took it to 25.76 last week before it bounced back.
- › While this level underpins on a daily chart closing basis, the 2011 and June 2013 peaks at 26.13/14 will be targeted, along with the May high at 26.19.
- › Should the 2012-13 channel resistance line at 26.195 be bettered, the 26.295 May 2010 peak will be back in focus.
- › We will stay immediately bullish while the currency pair remains above the 25.76 June 25 low on a daily chart closing basis.
- › Our medium term bullish forecast will stay intact as long as EUR/CZK trades above the 25.475 June low.
- › Unexpected failure at 25.475 on a daily closing basis would neutralise our medium term bullish view, however, and lead to the March low at 25.38 being targeted instead.

Support	Resistance	1-Week View	1-Month View
25.80&25.76	26.13/195	➔	➔
25.57/475	26.295&26.62		

EUR/CZK Daily Chart



EUR/CZK - Weekly Chart

Is expected to soon retest the 26.13/195 resistance area

EUR/CZK Weekly Chart



USD/BRL - Daily Chart

Is trying to overcome its four year high at 2.2802 and targets the 2.3000/2.3233 resistance area

- › USD/BRL's is trying to rise above its current July high at 2.2802.
- › While trading above the three month support line at 2.2196, upside pressure will be maintained.
- › Upside targets above 2.2802 can be seen around the minor psychological 2.3000 level, around the 61.8% Fibonacci extension at 2.3233 and then around the 2.5000 mark which we have in view for the end of the year.
- › We will retain our medium term bullish view while the currency pair remains above the 2.0925 June low.
- › Strong support above this level can be seen around the 2.1772 late June low.

USD/BRL Daily Chart

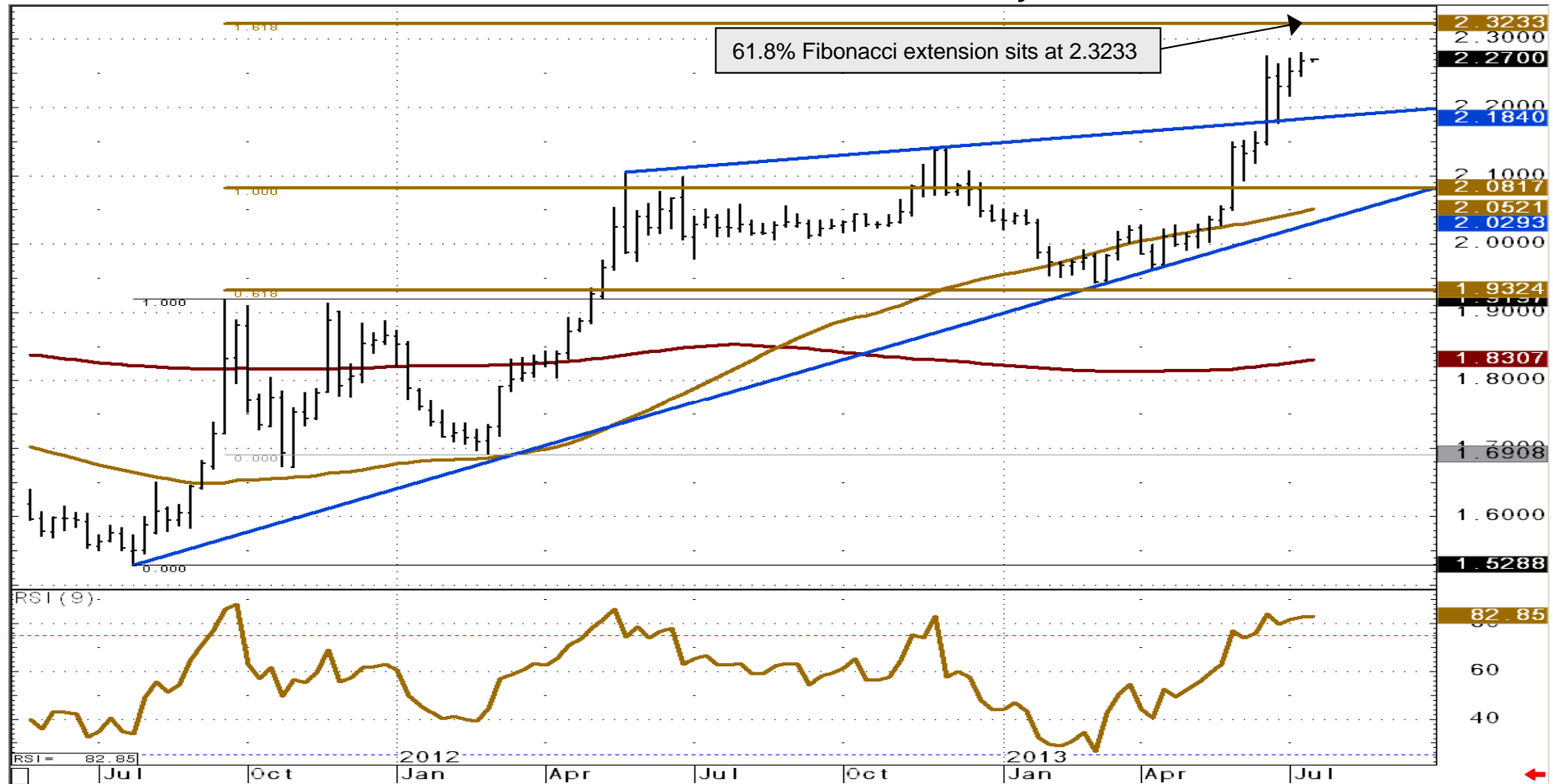


Support	Resistance	1-Week View	1-Month View
2.2457&2.2196	2.2802&2.3000	➔	➔
2.1772&2.1647	2.3222&2.5000		

USD/BRL - Weekly Chart

Should soon better its 4 year high at 2.2802 and reach the 61.8% Fibonacci extension at 2.3233

USD/BRL Weekly Chart



USD/MXN - Daily Chart

Drops back towards the 200- and 55-day moving averages at 12.6966/12.6646 which could hold

- › USD/MXN's drop back from its ten month June high at 13.4622 has so far taken it back to 12.7762, not far above the 50% retracement and the 200- and 55-day moving averages at 12.7000/12.6646, both of which remain in focus. Around this support zone we expect the recent descent to stall.
- › Should this not be the case, the major 12.6047/12.5516 support zone could be retested. It consists of the mid-June low and the March 2012 trough.
- › We will retain our bullish medium- to long-term forecast while the currency pair stays above the 12.5552/16 region, made up of the March 2012 and January 2013 lows.
- › Short term resistance sits at the 13.1510 current July high and can also be seen around the 13.2924 November peak.
- › Our longer term upside target remains to be seen around the 13.7767 July 2012 peak.

Support	Resistance	1-Week View	1-Month View
12.7000/6646	13.90&13.05	➔	➡
12.5552/16	13.151&13.292		

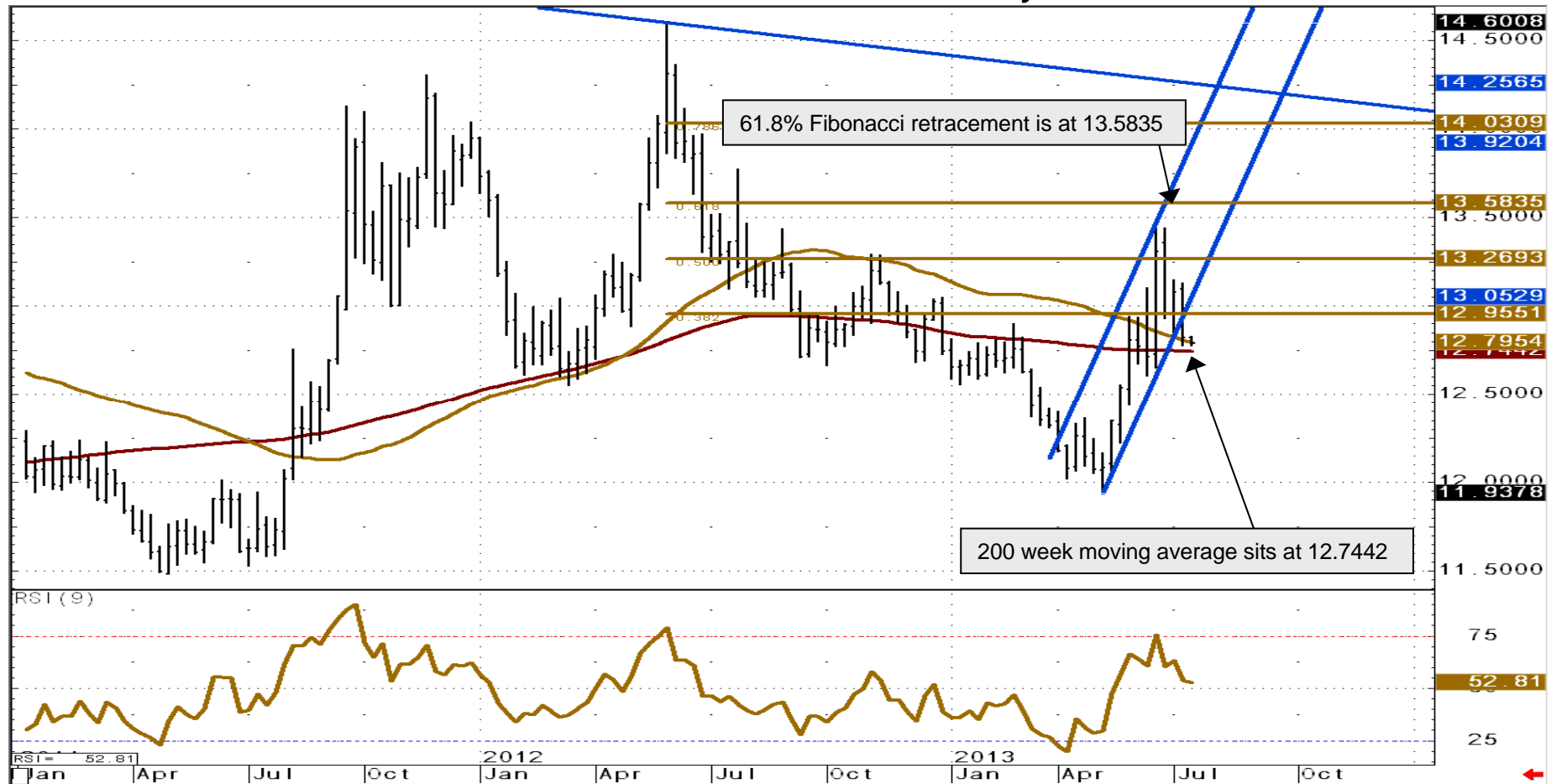
USD/MXN Daily Chart



USD/MXN - Weekly Chart

Drops back to the 200 week moving average at 12.7442

USD/MXN Weekly Chart



USD/TRY - Daily Chart

The uptrend has further to go with the psychological 2.0000 level being in focus

- › USD/TRY briefly dropped from its all-time high at 1.9734 to 1.9213 before resuming its ascent.
- › The 2009-13 resistance line at 1.9764 is back in view, followed by the psychological 2.0000 level.
- › We will remain immediately bullish while the currency pair stays above last week's 1.9213 low and medium term bullish while it trades above the late June low at 1.9140.
- › We will retain our longer term bullish forecast while USD/TRY remains above its June low at 1.8503.
- › Above this level lies the two month support line at 1.9006.
- › Over the next few days some sideways consolidation could first be seen, however.

USD/TRY Daily Chart

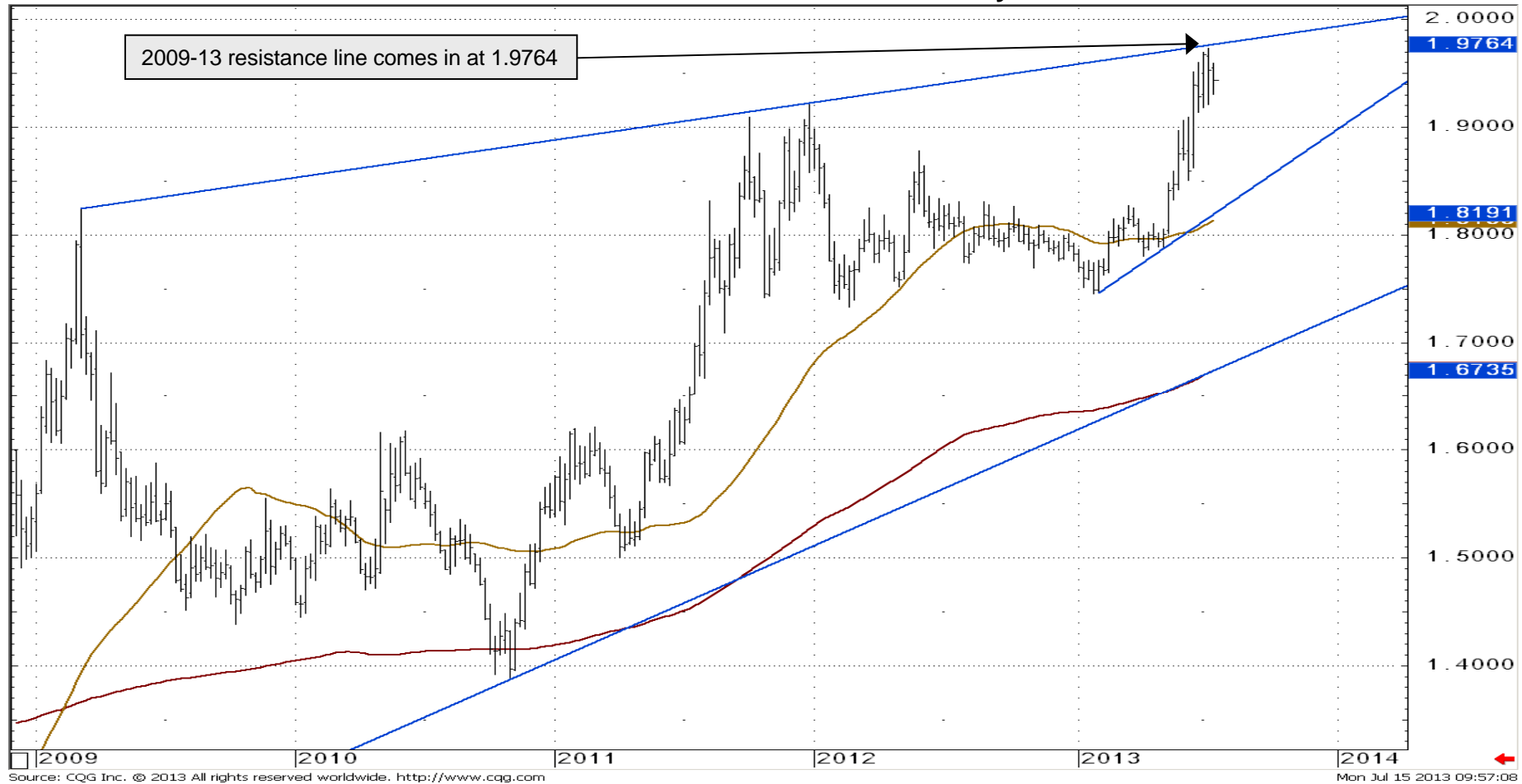


Support	Resistance	1-Week View	1-Month View
1.9213&1.9140	1.9734/64	➔	➡
1.9098/1.9006	2.0000		

USD/TRY - Weekly Chart

Is being capped by the long term resistance line at 1.9764

USD/TRY Weekly Chart



USD/ZAR - Daily Chart

Is being sidelined around the 10.0000 level while still keeping the June peak at 10.3610 in view

- › USD/ZAR continues to range trade around the psychological 10.0000 mark which sits in the middle of its seven week 10.3610/9.6621 trading band.
- › While the currency pair stays above the 55 day moving average at 9.7283 on a daily chart closing basis, the June peak at 10.3610 will remain in focus.
- › Were it to be bettered, the 10.6956/10.7900 region, would be targeted. It is made up of the 2009 peak, 78.6% Fibonacci retracement of the 2008-11 decline and the November 2008 high.
- › In case of it being bettered, the 2008 peak at 11.8708 will be back in the picture as well.
- › As stated before what we have seen happening over the past month or so is simply a consolidation within a longer term bullish trend.

Support	Resistance	1-Week View	1-Month View
9.9609&9.8234	10.282&10.298	➔	➡
9.6621&9.6502	10.3250/3610		

USD/ZAR Daily Chart



USD/ZAR - Weekly Chart

Consolidation is ongoing but it still eyes the 10.6956/10.7900 target area

USD/ZAR Weekly Chart



Rouble Basket - Daily Chart

Still consolidates below its 3 ¼ year high at 37.89 but remains medium term bullish

- › In late June the rouble basket's steep ascent took it to 37.89, a multi-year high.
- › Since this high was made in an area where the 2011 and 2012 highs were also formed and because the June high at 37.89 was not accompanied by the daily RSI, which showed negative divergence, a retracement lower to 36.97 has so far taken place.
- › As long as no daily chart close below the next lower 36.23 mid-June low is being seen, medium term upside pressure should be maintained.
- › Support above this level comes in around the 55 day moving average at 36.45.

Support	Resistance	1-Week View	1-Month View
36.97/92	37.75/89	➔	➔
36.45&36.33/23	38.99/39.01		

Rouble Basket Daily Chart

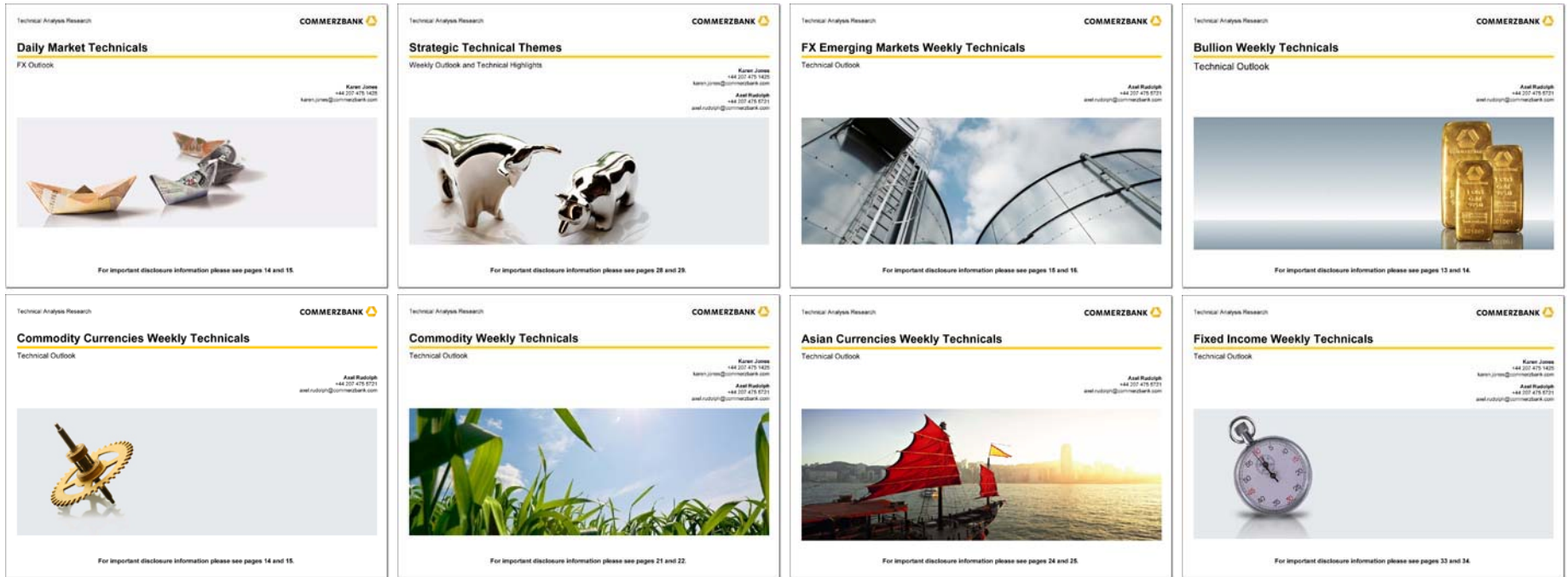


Rouble Basket - Weekly Chart

Made a 3 ¾ year high at 37.89 from which it is still slipping back

Rouble Basket Weekly Chart





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- Monday:** Daily Market Technicals (FX), Strategic Technical Themes;
- Tuesday:** Daily Market Technicals (FX), Bullion Weekly Technicals;
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- Friday:** Daily Market Technicals (FX), Fixed Income Weekly Technicals.

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