

# FX Emerging Markets Weekly Technicals

Monday, 22 July 2013

## Technical Outlook

<p><b>1</b> Technical Analysis Banks Commerzbank</p> <p>Source: Euromoney FX Poll 2012</p> <p>2012 </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 </p>	<p><b>2</b> Technical Analysis Commerzbank</p> <p>Source: Euromoney FX Survey 2013</p> <p>2013 </p>
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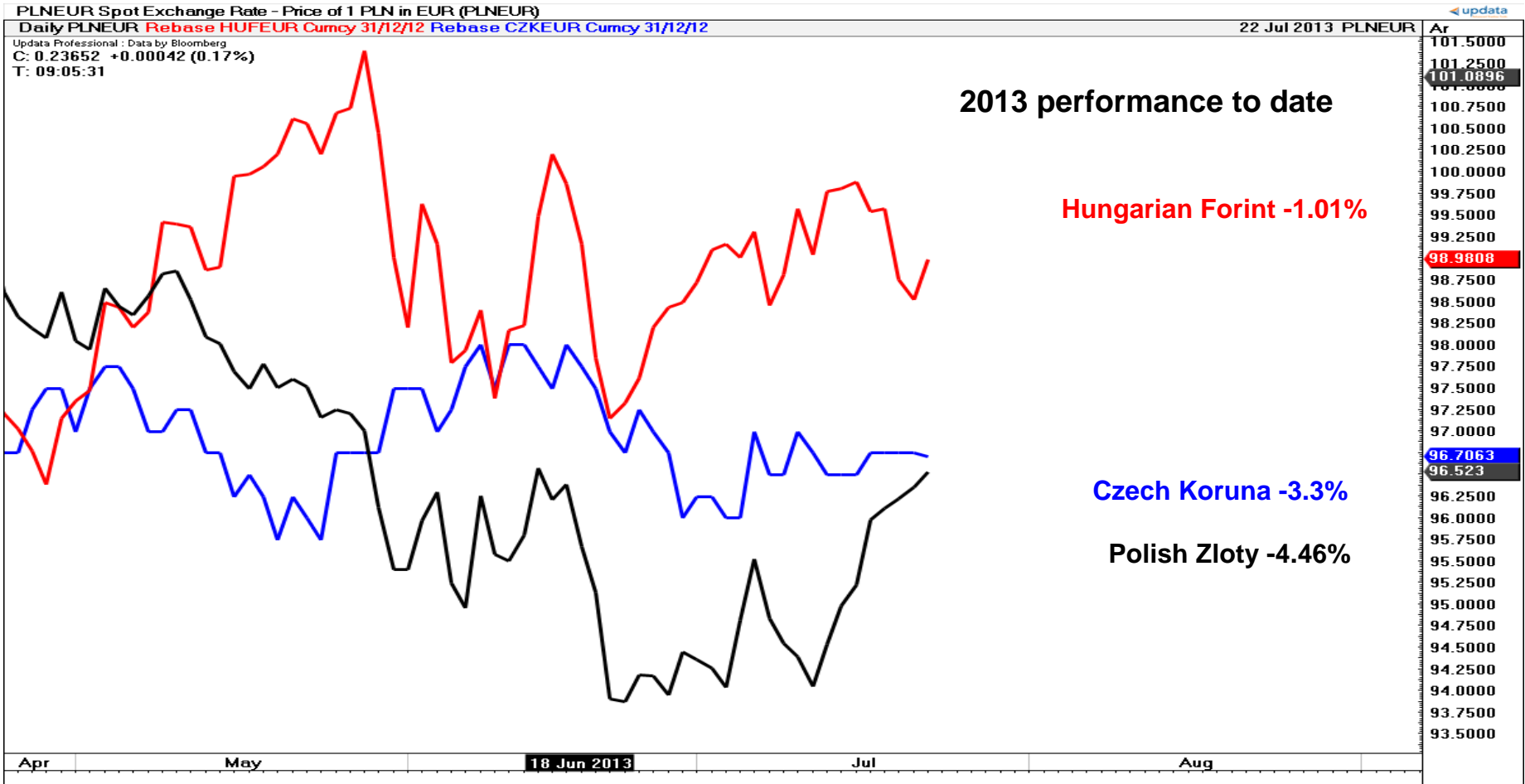
## Technical Outlook

USD/MXN is back under pressure

Market	Short term view (1-3 weeks)
EUR/PLN:	Correction lower should stabilise 4.2180/4.20
EUR/HUF:	Sidelined above the 289.62 low
EUR/CZK:	Converging range near term, but medium term still targets the 26.13/195 resistance zone which it may well overshoot
USD/BRL:	Is Market is showing signs of more significant failure at 2.2802
USD/MXN:	Key support has been eroded, tipping the chart back into bearish mode again.
USD/TRY:	Market has sold off to its 2 month uptrend at 1.9126, looking for signs of recovery
USD/ZAR:	Sidelined, but under pressure in the range.
Rouble Basket:	Downside corrective near term towards 36.58/55 (55 day ma and the 38.2% retracement of the move seen this year).

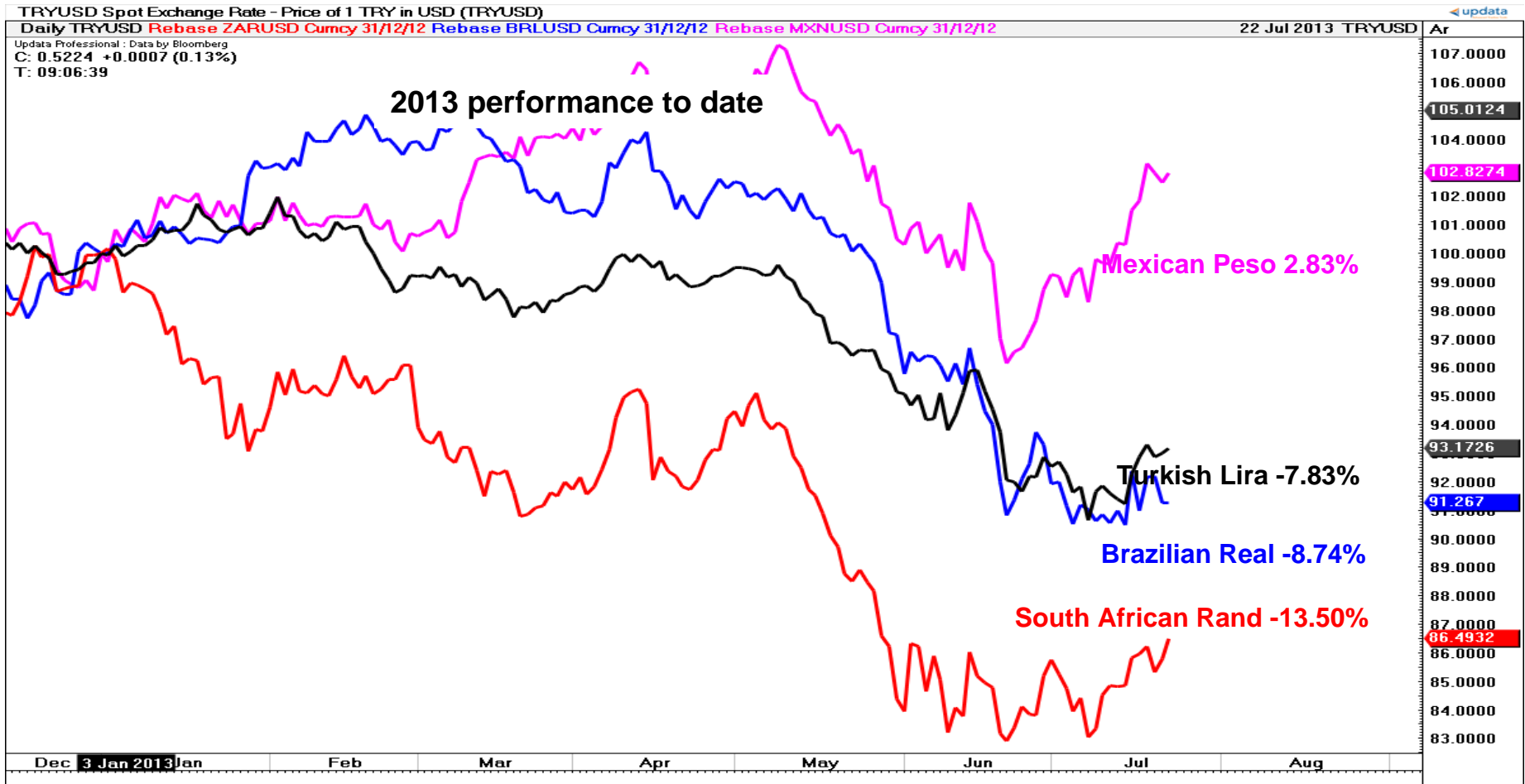
# Polish Zloty, Hungarian Forint and Czeck Koruna vs. Euro (rebased)

The Polish Zloty continues its appreciation versus the Euro



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

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



# EUR/PLN - Daily Chart

Correction lower should stabilise 4.2180/4.20

- › The correction lower in EUR/PLN from its one year high at 4.3708 remains in force. The move will shortly encounter both the high from January and the short term uptrend at 4.2181/93. The Elliot wave count on the daily chart is indicating that this correction lower is likely to end ahead of the 61.8% retracement at 4.1990.
- › 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.
- › Below 4.1990 would introduce scope to re-test the 4.1536/4.1440 55 week moving average and the 2008-2013 uptrend.

## EUR/PLN Daily Chart



Support	Resistance	1-Week View	1-Month View
4.2190/80	4.2760&4.3033	➔	➔
4.1990	4.3273&4.3474		

# EUR/PLN - Weekly Chart

Still targets the 4.4102/4.4315 resistance area around which it should stall

EUR/PLN Weekly Chart



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# EUR/HUF - Daily Chart

Sidelined above the 289.62 low

- › EUR/HUF has based between the 200 day moving average at 292.47 and its June low at 289.62, provided that it remains above here, the five month resistance line at 298.62 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 has stalled at the July high of 296.32 and looks set to range sideways.
- › 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 and would raise the stop to 292.00, target is 305 and above in the weeks to come.

EUR/HUF Daily Chart



Support	Resistance	1-Week View	1-Month View
293.93	296.32	➔	➡
292.47&289.62	298.73&300.98		

# EUR/HUF - Weekly Chart

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

EUR/HUF Weekly Chart



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Mon Jul 22 2013 09:17:56



# EUR/CZK - Daily Chart

Converging range near term, but medium term still targets the 26.13/195 resistance zone which it may well overshoot

- › EUR/CZK has pretty much consolidated sideways all week. The market failed to clear its near term resistance line at 26.00 and has entered into a tight converging range. While the recent low at 25.76 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.

EUR/CZK Daily Chart

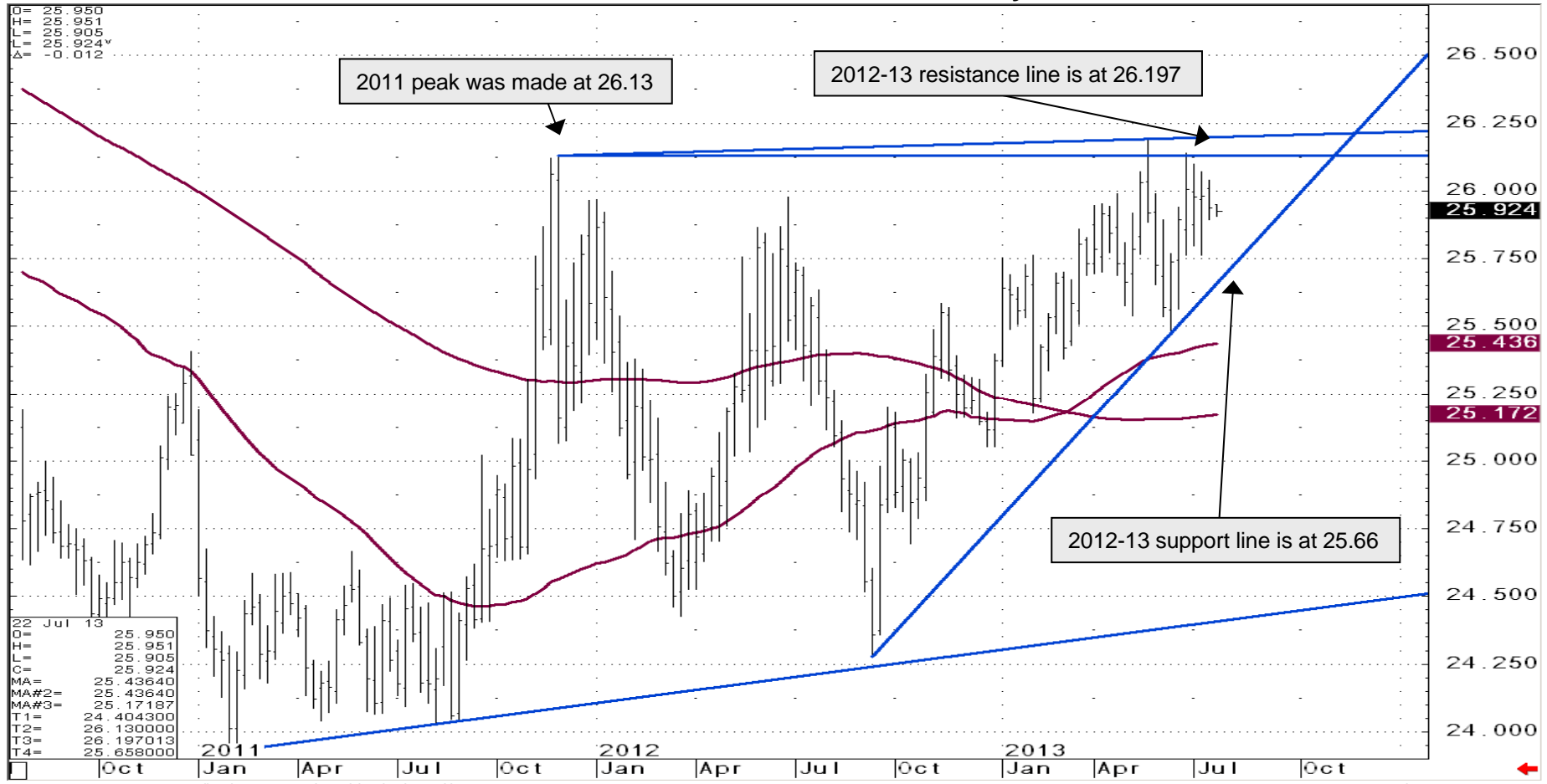


Support	Resistance	1-Week View	1-Month View
25.89	26.00	➔	➔
25.80&25.76	26.13/195		

# EUR/CZK - Weekly Chart

Is expected to soon retest the 26.13/197 resistance area

EUR/CZK Weekly Chart



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# USD/BRL - Daily Chart

Market is showing signs of more significant failure at 2.2802.

- › USD/BRL's new high of 2.2802 has been accompanied by a large triple divergence of the daily RSI. The sell off has started to erode the 2 month uptrend and we note the TD perfected set up on the weekly chart (and the divergence of the weekly RSI). All factors point to an interim top for the market. While we are unable to rule out re-tests of the 2.2760/2.28 region, we look for these to now hold.
- › Below 2.20 should trigger a correction lower to the 2.1510/2.1419 band, which represents the December 2012 high and the 38.2% retracement, where we should see stabilisation.
- › Should 2.2802 be breached further resistance 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

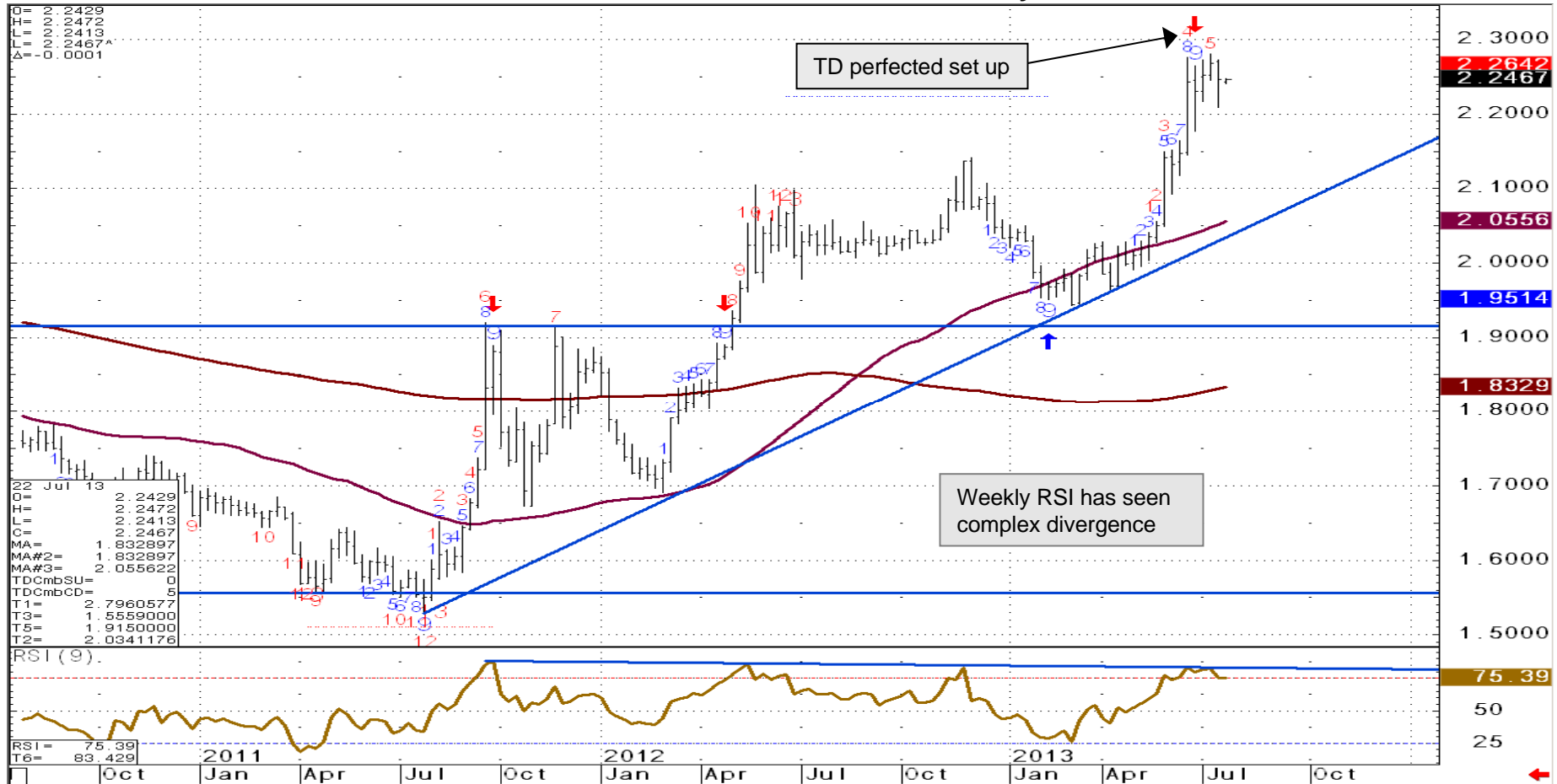


Support	Resistance	1-Week View	1-Month View
2.2196&2.20	2.2802&2.3000	➔	➡
2.1772&2.1647	2.3222&2.5000		

# USD/BRL - Weekly Chart

TD perfected set up points to a possible correction lower

USD/BRL Weekly Chart



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# USD/MXN - Daily Chart

Key support has been eroded, tipping the chart back into bearish mode again.

- › USD/MXN's drop back from its ten month June high at 13.4622 has gained pace, taking out its 55 and 200 day ma at 12.69/70, these are now likely to act as resistance.
- › It has even eroded key support offered by the 12.5552/16 region, made up of the March 2012 and January 2013 lows. Given the speed and extent of the current sell off we are going to have to assume that the market is back under pressure.
- › Near term rallies are likely to struggle 12.69/70 and should now be contained by the 12.9470 50% retracement of this sell off.
- › While capped by 12.9470 we will assume a downside bias and allow for losses to the 12.2640/78.6% retracement of the move up from May – this is regarded to be the last defence for the May low at 11.9378.

## USD/MXN Daily Chart

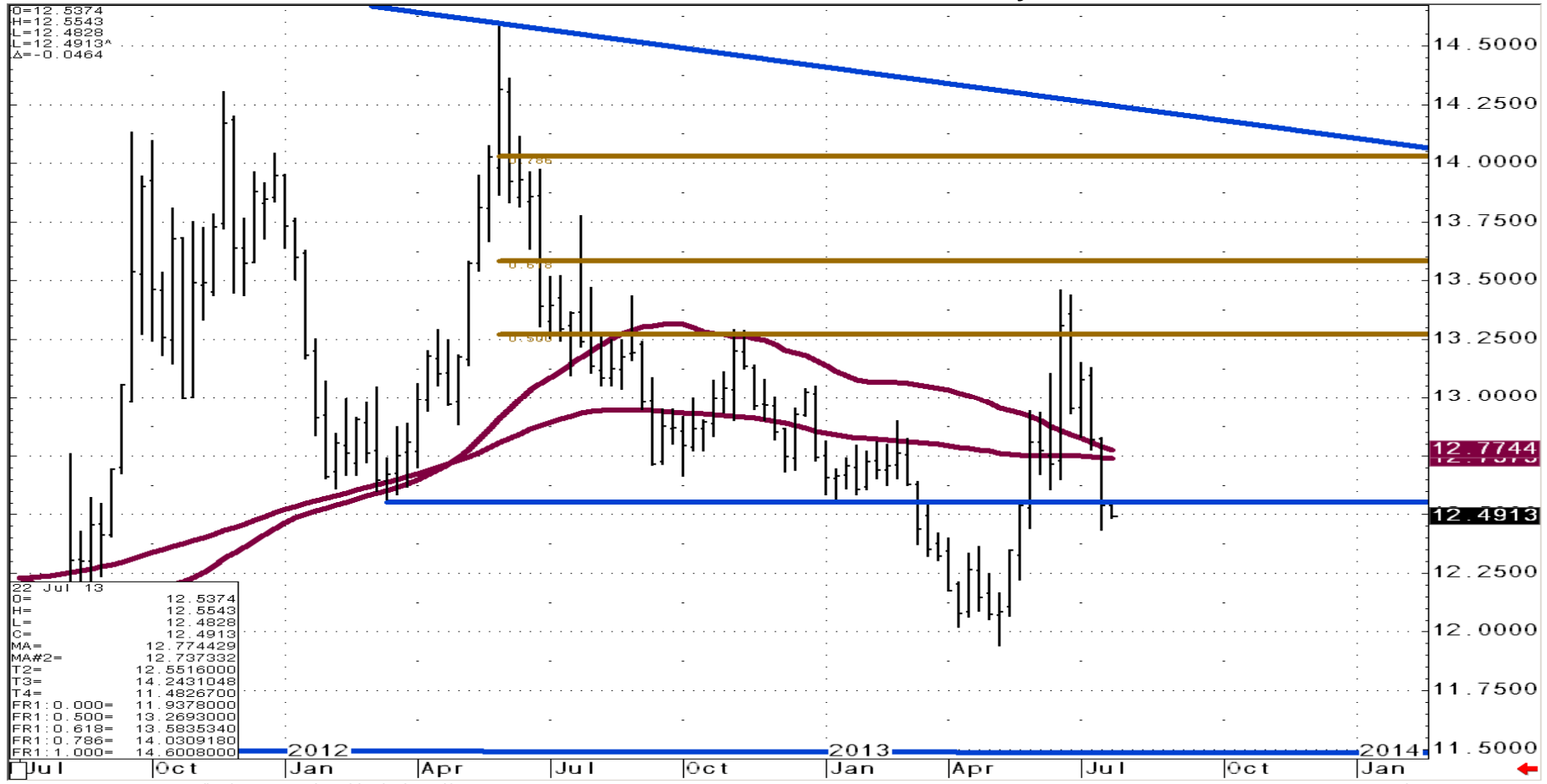


Support	Resistance	1-Week View	1-Month View
12.3665&12.26	12.69/70	➔	➔
11.9378	12.9470		

# USD/MXN - Weekly Chart

Key support eroded - negative

USD/MXN Weekly Chart



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# USD/TRY - Daily Chart

Market has sold off to its 2 month uptrend at 1.9126, looking for signs of recovery

- › USD/TRY has sold off to its 2 month support line at 1.9126. Between here and the 1.9075 July low we should see an attempt to stabilise.
- › While it holds, the 2009-13 resistance line at 1.9770 is back in view, followed by the psychological 2.0000 level.
- › Below 1.9075 would trigger a set back towards the 1.8863/38.2% retracement.
- › We will retain our longer term bullish forecast while USD/TRY remains above its June low at 1.8503.
- › 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
1.9126/90750	1.9604	➔	➔
1.8878/63	1.9734/64		

# USD/TRY - Weekly Chart

Is being capped by the long term resistance line at 1.9770

USD/TRY Weekly Chart



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# USD/ZAR - Daily Chart

Sidelined, but under pressure in the range.

- › 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. Over the past couple of weeks it has been under pressure in that range.
- › While the currency pair stays above the 55 day moving average at 9.8086 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.
- › Below 9.66 would trigger a sell off to 9.3673/9.3735, the March high and the 50% retracement of the move seen this year.

USD/ZAR Daily Chart



Support	Resistance	1-Week View	1-Month View
9.7820	10.282&10.298	➔	➔
9.6621&9.6502	10.3250/3610		

# USD/ZAR - Weekly Chart

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

USD/ZAR Weekly Chart



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Mon Jul 22 2013 10:24:17

# Rouble Basket - Daily Chart

Downside corrective near term towards 36.58/55 (55 day ma and the 38.2% retracement of the move seen this year).

- › 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 is underway
- › The short term correction lower is fairly orderly, but we suspect will extend further to the 36.58/55, the 55 day ma and 38.2% retracement of the move seen this year. 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 36.3063 August 2012 high and the 36.3278 April 2013 highs.

## Rouble Basket Daily Chart



Support	Resistance	1-Week View	1-Month View
36.58/55	37.59	➔	➔
36.45&36.33/23	37.75/89		

# Rouble Basket - Weekly Chart

Made a 3 ¼ year high at 37.89 from which it is still slipping back

Rouble Basket 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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**Bullion Weekly Technicals**  
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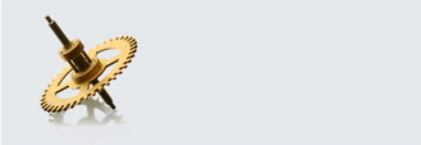


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**Commodity Currencies Weekly Technicals**  
Technical Outlook



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**Asian Currencies Weekly Technicals**  
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- Thursday:** Daily Market Technicals (FX), Asian Currencies Weekly Technicals, FX Strategy;
- Friday:** Daily Market Technicals (FX), Fixed Income Weekly Technicals.

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