

FX Emerging Markets Weekly Technicals

Monday, 05 August 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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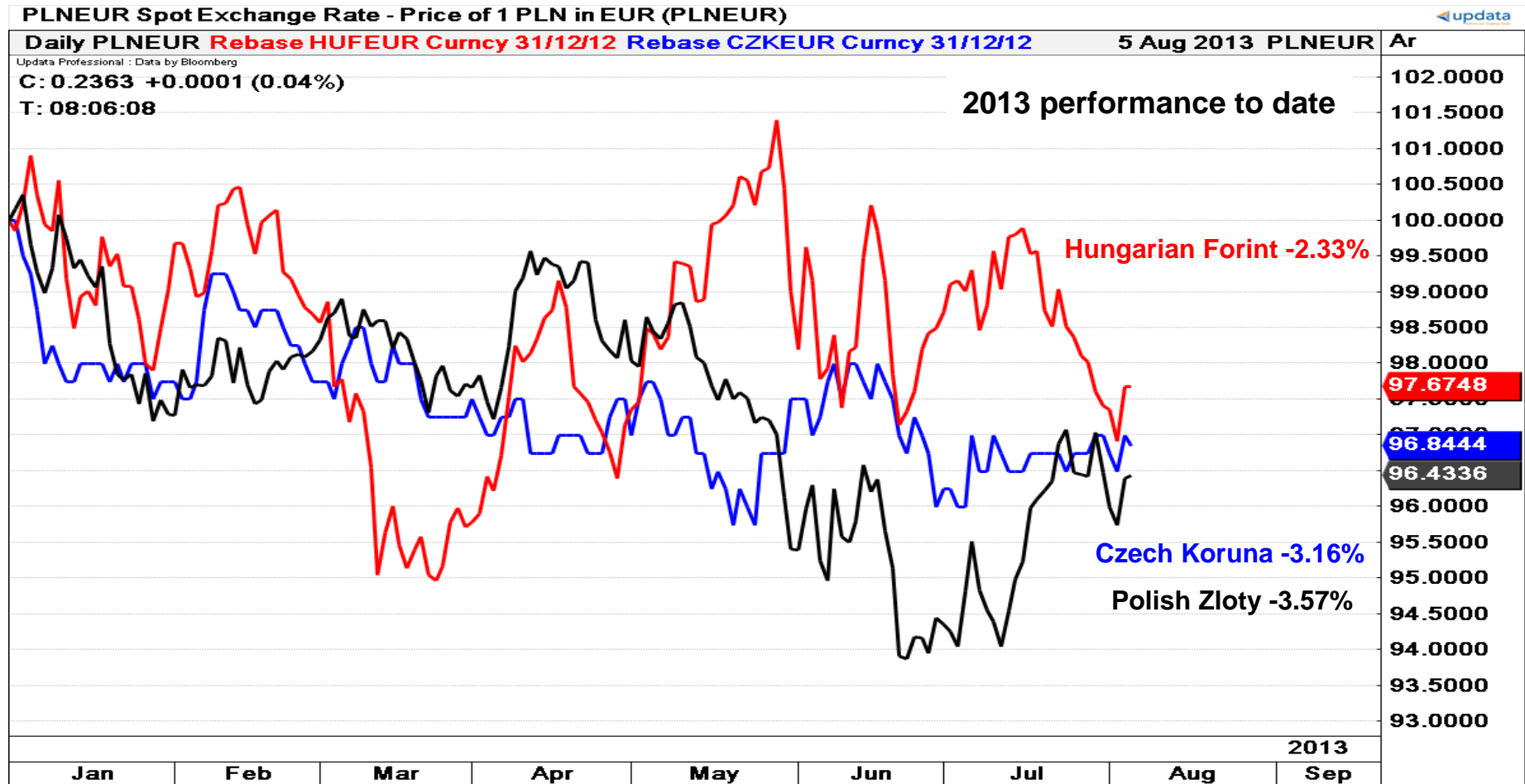
Technical Outlook

Renewed consolidation in EM currencies versus the US Dollar and the Euro is being seen

Market	Short term view (1-3 weeks)
EUR/PLN:	Late June three legged upside correction is expected to have ended at last week's 4.2658 high.
EUR/HUF:	Once again struggles in the 300 region and could again slide but probably only for a few days.
EUR/CZK:	Medium term still targets the 26.13/20 resistance zone while it stays above its July low at 25.74.
USD/BRL:	Continues its rally and is heading towards the 61.8% Fibonacci extension at 2.3233.
USD/MXN:	Drops back towards the July low at 12.4315 which is expected to give way while 12.8940 caps.
USD/TRY:	Is likely to range trade further between the 1.9500 and 1.9000 levels before rising further still.
USD/ZAR:	Remains medium term bullish while the July low at 9.6130 underpins.
Rouble Basket:	Consolidates below its July 3 ¼ year high at 37.96 but remains medium term bullish.

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

The Hungarian Forint's recent depreciation versus the Euro looks set to pause



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

Recent EM currencies weakness versus the US Dollar seems to be on hold

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

update

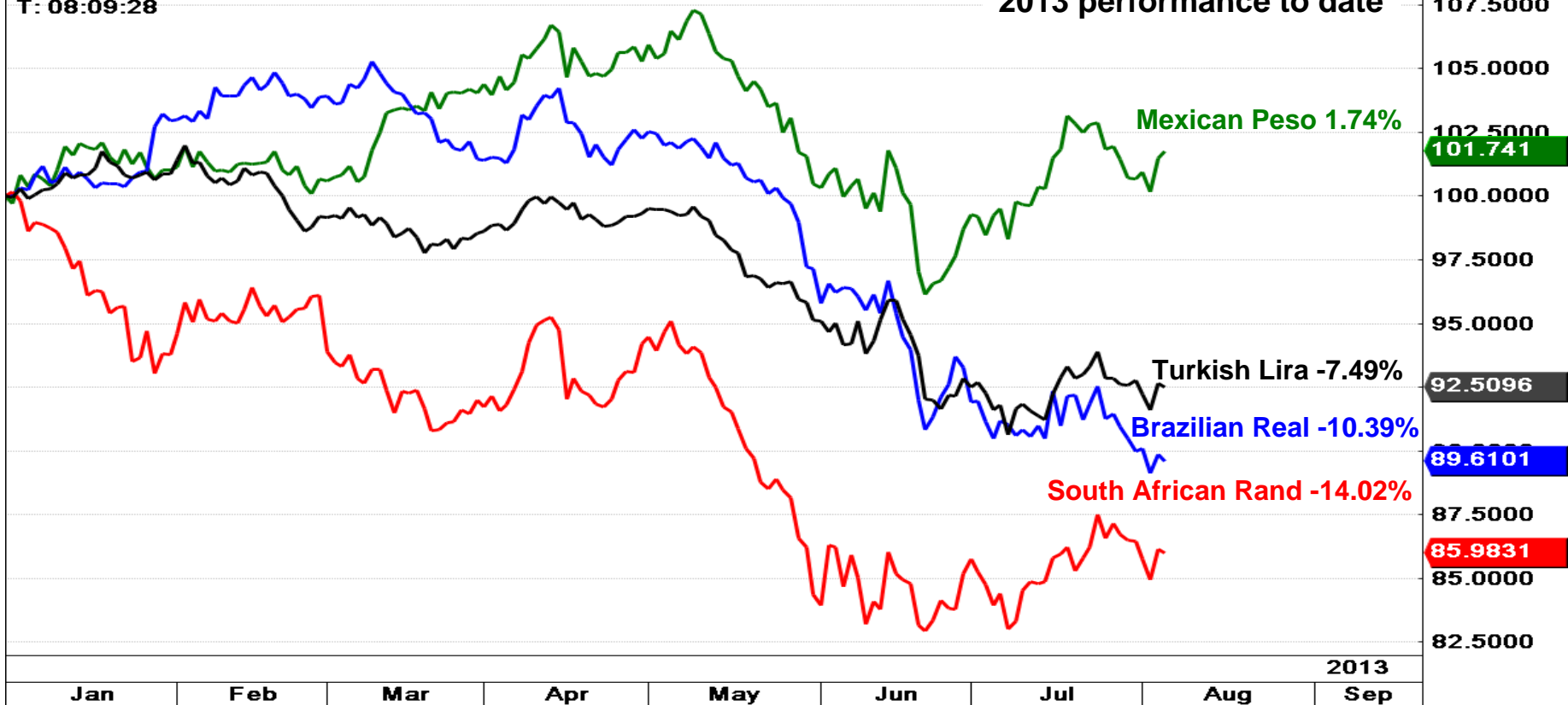
Daily TRYUSD Rebase ZARUSD Curncy 31/12/12 Rebase BRLUSD Curncy 31/12/12 Rebase MXNUSD Curncy 31/12/12 Ar

Update Professional : Data by Bloomberg

C: 0.51868 -0.00072 (-0.13%)

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2013 performance to date



EUR/PLN - Daily Chart

Late June three legged upside correction is expected to have ended at last week's 4.2658 high

- › EUR/PLN weak three legged upside correction from its July 4.1994 low seems to have ended at last week's 4.2658 high, between the 38.2% Fibonacci retracement of the April-to-June advance and the 55 day moving average.
- › While this resistance area caps on a daily chart closing basis, the 61.8% Fibonacci retracement at 4.1990 should be slipped through and the 200 day moving average at 4.1736 be reached. Another potential downside target zone is made up of the 55 week moving average and 2008-13 uptrend line which come in at 4.1559/10. Here the currency pair is expected to hold, however.
- › We thus recommend selling EUR/PLN between 4.2480 and 4.2640 while targeting the 4.1750 region with a stop loss being placed above 4.2750.
- › In case of an unexpected daily close above 4.2658 being made, the 4.3000 region and 4.3273 June 6 high would be targeted instead. This is not our preferred scenario, though.

EUR/PLN Daily Chart



Support	Resistance	1-Week View	1-Month View
4.2037/4.1990	4.2646/62	↘	↗
4.1736/16	4.2965&4.3273		

EUR/PLN - Weekly Chart

Remains under pressure; a fall through 4.1990 could open the way for 4.1559/10 to be reached

EUR/PLN Weekly Chart



EUR/HUF - Daily Chart

Once again struggles in the 300 region and could again slide but probably only for a few days

- › Last week EUR/HUF once again reached the 300 region but did not manage to overcome the June high at 301.44 before coming off again.
- › While the June high caps, the risk of another slide back towards the 296.32 early July low and the 55 day moving average at 294.85 being seen remains in place.
- › Having said this, we still believe that once the current minor correction lower has run its course, the June high at 301.44 and also the late April high at 302.56 will be back in play.
- › Once overcome, the 2012-13 resistance line at 303.70 will be targeted as well.
- › Support comes in between the 296.32 early July high and the 55 day moving average at 294.85 with further support being seen between the three month support line and the 200 day moving average at 293.49/37. We are still long at 289 with a raised stop at 291.00 and targeting 303.50.

Support	Resistance	1-Week View	1-Month View
296.32/294.85	300.80/301.44	➔	➡
293.49/37&291	302.56&303.70		

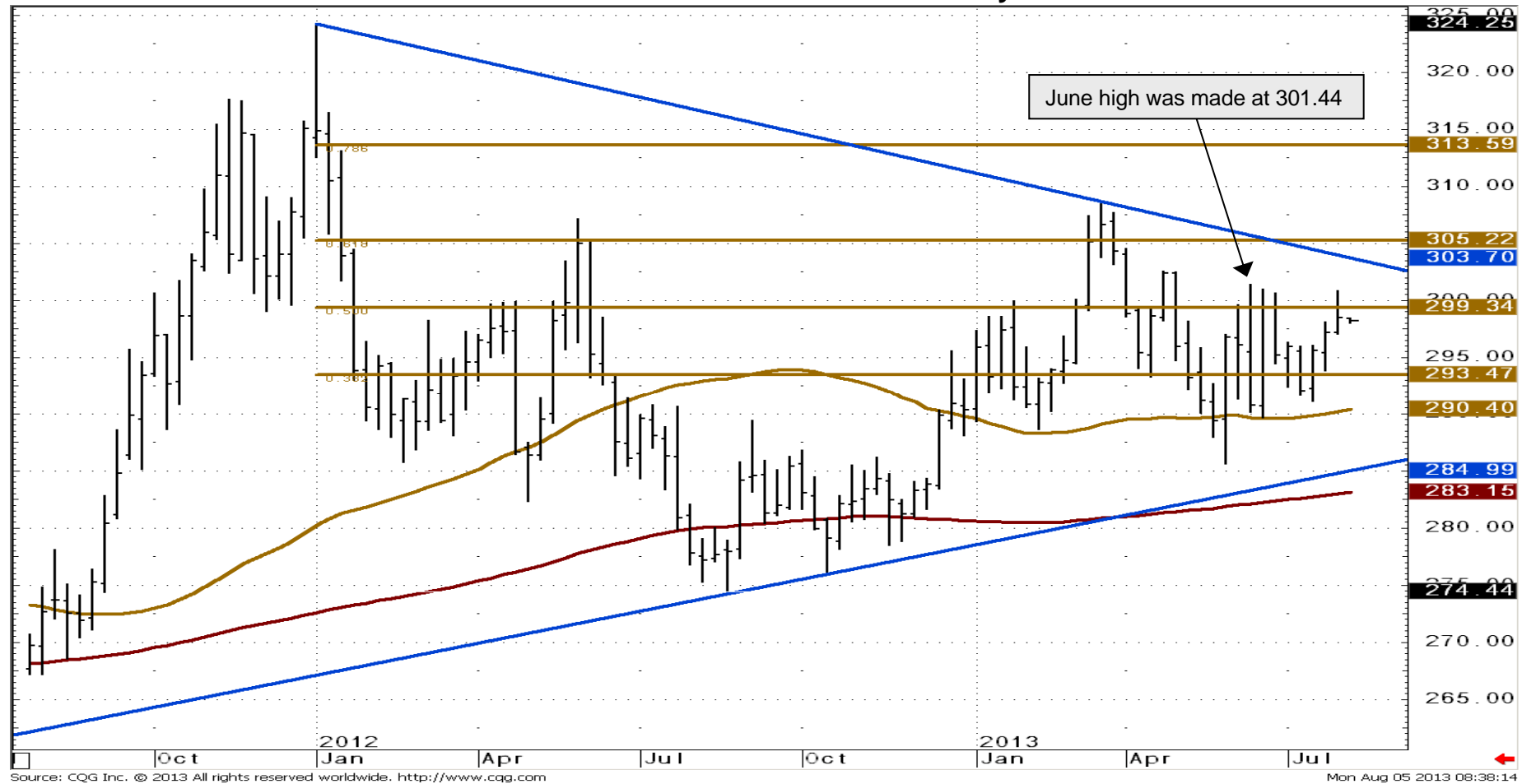
EUR/HUF Daily Chart



EUR/HUF - Weekly Chart

Once again struggles in the 300 region

EUR/HUF Weekly Chart



EUR/CZK - Daily Chart

Medium term still targets the 26.13/20 resistance zone while it stays above its July low at 25.74

- › EUR/CZK's correction lower took it to 25.74 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 26.20 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 25.74 July low on a daily chart closing basis. This level is likely to be revisited soon, though.
- › 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
25.76/74	26.04&26.13	➔	➡
25.625&25.54	26.20&26.295		

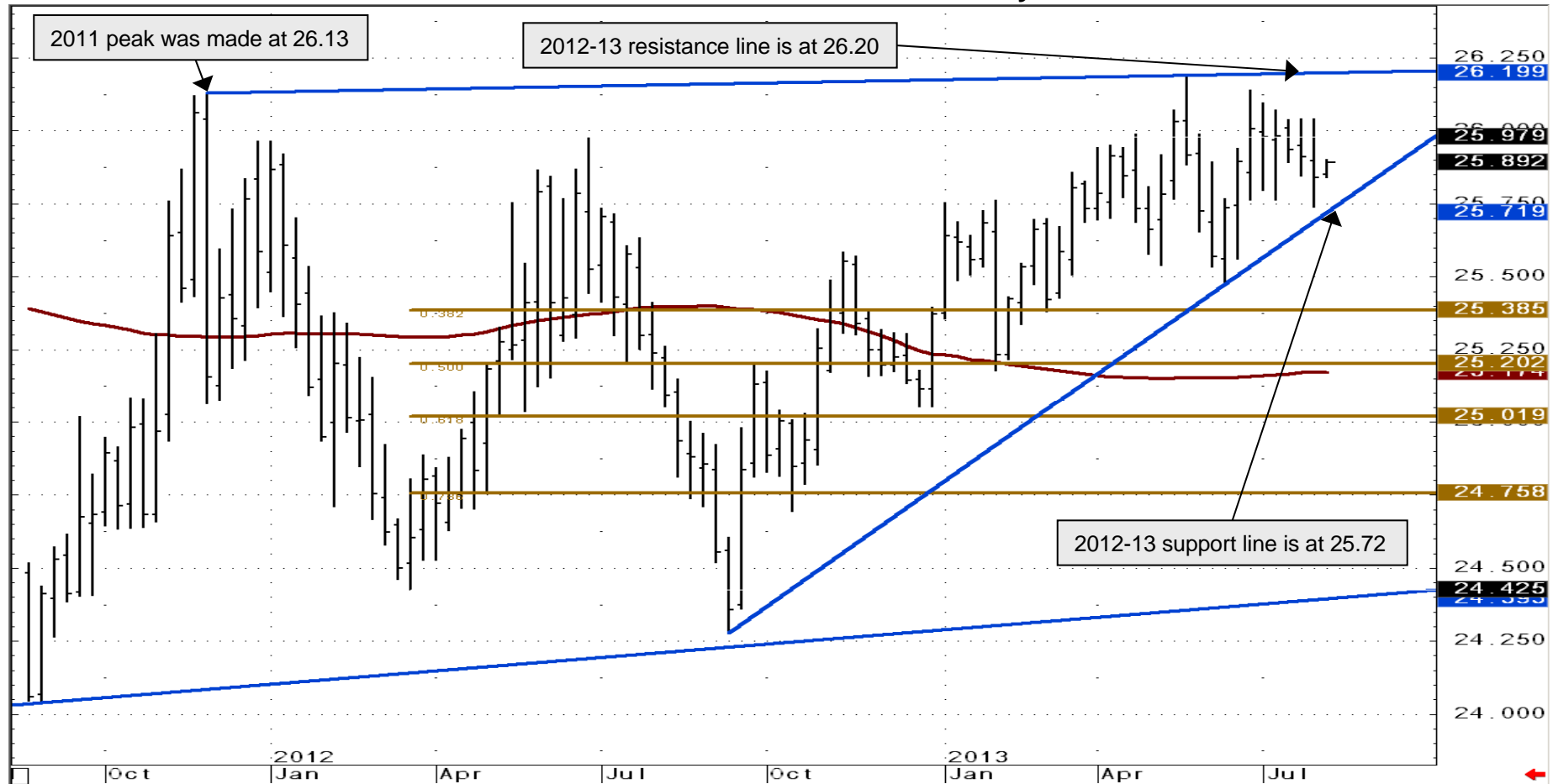
EUR/CZK Daily Chart



EUR/CZK - Weekly Chart

Bounces off its July low at 25.74

EUR/CZK Weekly Chart



USD/BRL - Daily Chart

Continues its rally and is heading towards the 61.8% Fibonacci extension at 2.3233

- › Last week USD/BRL made a four and a quarter year high at 2.3133, a rise above which will put the 61.8% Fibonacci extension at 2.3233 and then the 2.5000 mark on the map.
- › We will retain our medium term bullish view while the currency pair remains above the 2.2089 July low.
- › Support above this level can be seen around the 2.2760 June peak and then along the four month support line at 2.2457.
- › Some of these levels may well be revisited this week before further upside momentum carries the currency pair to new heights.
- › Buy dips to 2.2510 with a stop loss at 2.2080 and targeting the 2.5000 region before year end.

USD/BRL Daily Chart

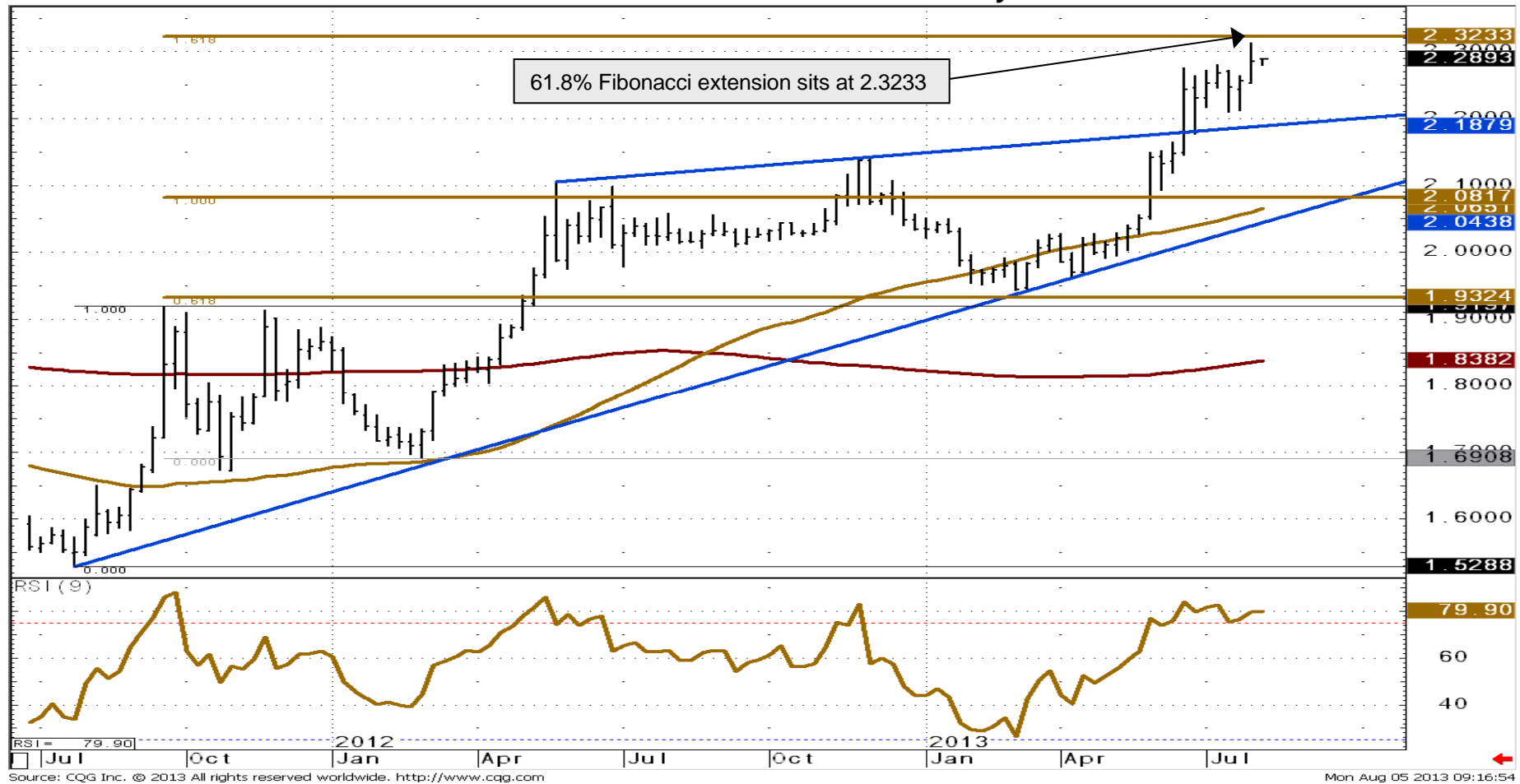


Support	Resistance	1-Week View	1-Month View
2.2760&2.2457	2.3133	➔	➔
2.2116/2.2089	2.3222&2.5000		

USD/BRL - Weekly Chart

Remains on track to reach the 61.8% Fibonacci extension at 2.3233

USD/BRL Weekly Chart



USD/MXN - Daily Chart

Drops back towards the July low at 12.4315 which is expected to give way while 12.8940 caps

- › USD/MXN's recent corrective rally from the 12.4315 July low has almost certainly ended at last week's 12.8940 high.
- › The ensuing reversal lower was made around the 38.2% Fibonacci retracement of the May-to-June rise at 12.8799. It points to the 12.5552/16 region (four month support line, March 2012 and January 2013 lows) being retested and most likely being fallen through.
- › The July low at 12.4315 will then be eyed, and, once slipped through, the 12.3665 late April high as well as the 78.6% Fibonacci retracement at 12.2640.
- › The latter is regarded as the last defence for the May low at 11.9378.
- › While the currency pair remains below last week's 12.8940 high, immediate downside pressure will be maintained. Should it unexpectedly be bettered, the 13.1510 July high will be back on the map but this is unlikely to be the case.

Support	Resistance	1-Week View	1-Month View
12.5552/16	12.88/12.8940	➡	➡
12.431&12.366	13.105&13.151		

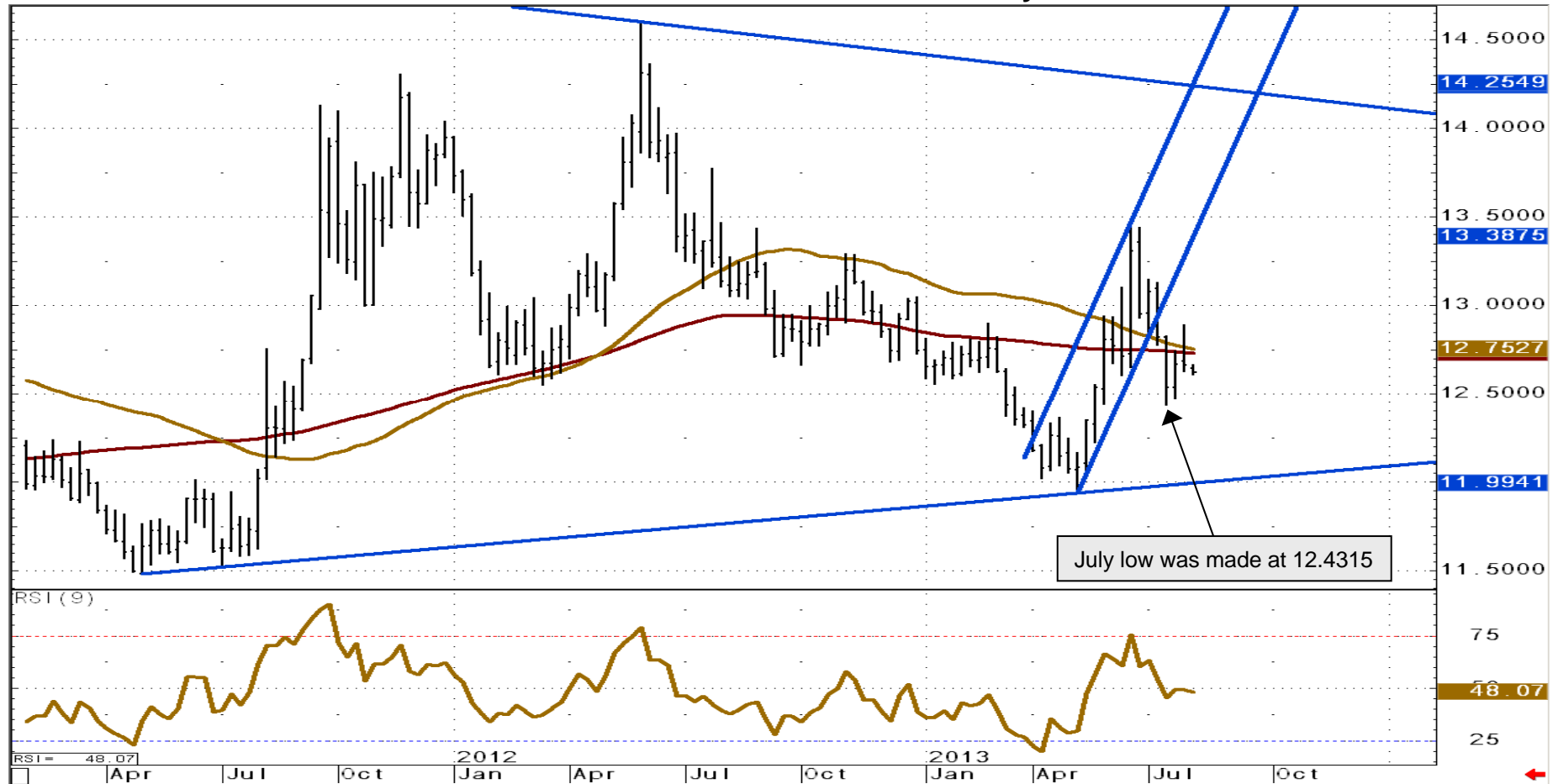
USD/MXN Daily Chart



USD/MXN - Weekly Chart

Drops back towards the July low at 12.4315

USD/MXN Weekly Chart



USD/TRY - Daily Chart

Is likely to range trade further between the 1.9500 and 1.9000 levels before rising further still

- › USD/TRY's slide from its July all-time high at 1.9734 took it to 1.8992 before resuming its ascent.
- › We expect to see range trading between the latter level and last week's 1.9521 high in the course of this week.
- › Minor support is seen between the four month support line at 1.9157 and the 55 day moving average at 1.9079 while minor resistance is around the psychological 1.9500 mark.
- › Once last week's high at 1.9521 has been exceeded, the July peak at 1.9734 and the 2009-13 resistance line at 1.9784 will be back in view, followed by the psychological 2.0000 level. Over the next few days some sideways consolidation could first be seen, however.
- › We will remain immediately bullish while the currency pair stays above the 1.8992 July low. We will retain our longer term bullish forecast while USD/TRY remains above its June low at 1.8503.

USD/TRY Daily Chart

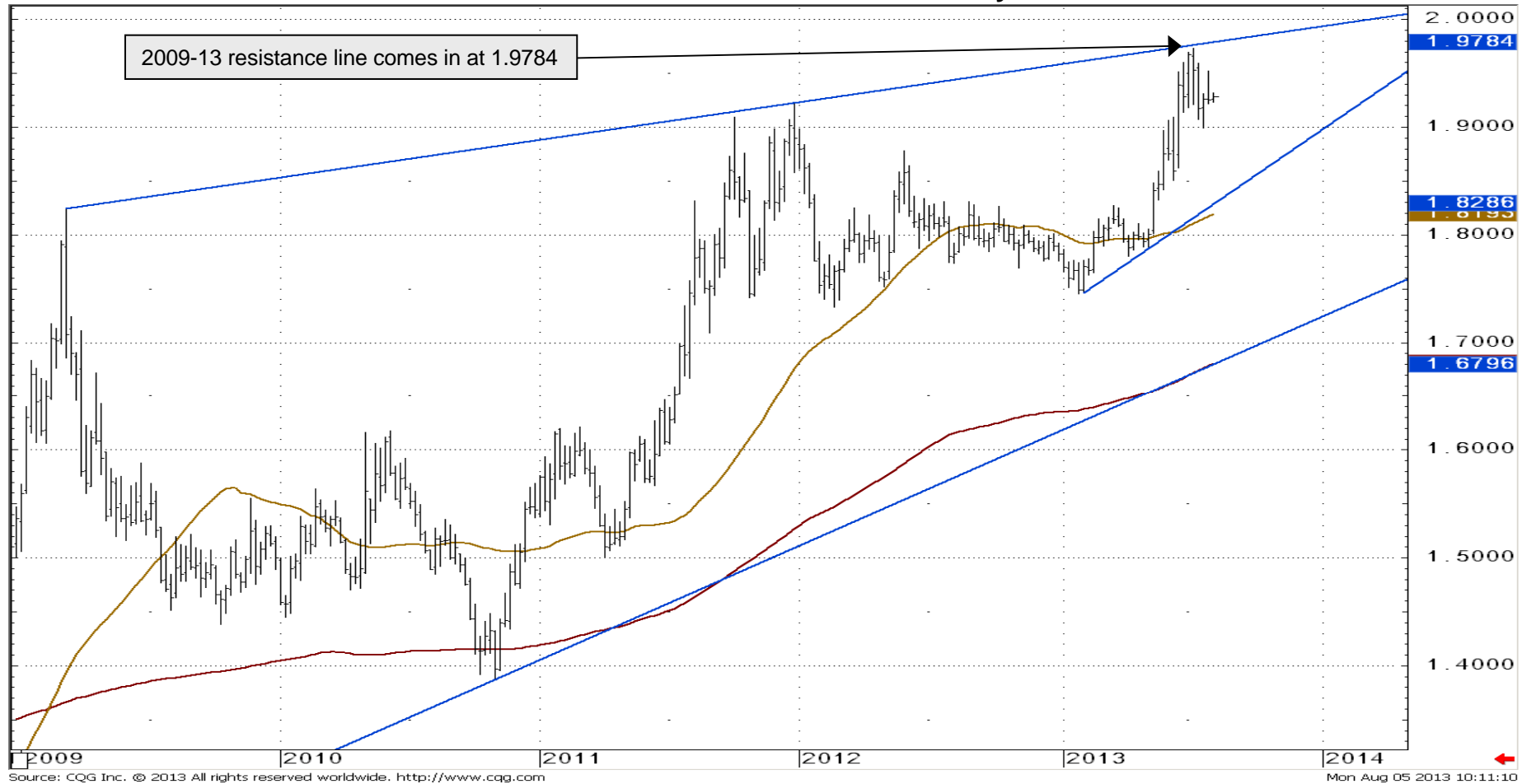


Support	Resistance	1-Week View	1-Month View
1.9157/1.9079	1.9521&1.9734	➔	➡
1.8992&1.8864	1.9784&2.0000		

USD/TRY - Weekly Chart

Remains below the long term resistance line at 1.9784

USD/TRY Weekly Chart



USD/ZAR - Daily Chart

Remains medium term bullish while the July low at 9.6130 underpins

- › USD/ZAR continues to range trade around the psychological 10.0000 mark which sits in the middle of its two month 10.3610/9.6130 trading band.
- › While the currency pair stays above the 9.6130 July low 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 exceeded, 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 couple of months is likely to turn out to simply be a consolidation within a longer term bullish trend. Unexpected failure at 9.6130 will negate this view, though.

Support	Resistance	1-Week View	1-Month View
9.9621/9.6130	10.044&10.233	➔	➡
9.3673&9.3117	10.298/10.361		

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

Consolidates below its July 3 ¼ year high at 37.96 but remains medium term bullish

- › In late July the rouble basket's rally took it to 37.96, a near four year high.
- › Since this high was made after a three legged correction lower during late June and July, it points to a resumption of this year's uptrend.
- › While the rouble basket stays above the 37.33 mid-June high on a daily chart closing basis, immediate upside momentum will be maintained.
- › As long as no daily chart close below the next lower 36.79 July low is being seen, medium term upside pressure should be maintained with the 38.00 mark and also the 2011-13 resistance line at 38.15 staying in focus.
- › Support above the 36.79 July low comes in around the 55 day moving average at 36.97.

Rouble Basket Daily Chart

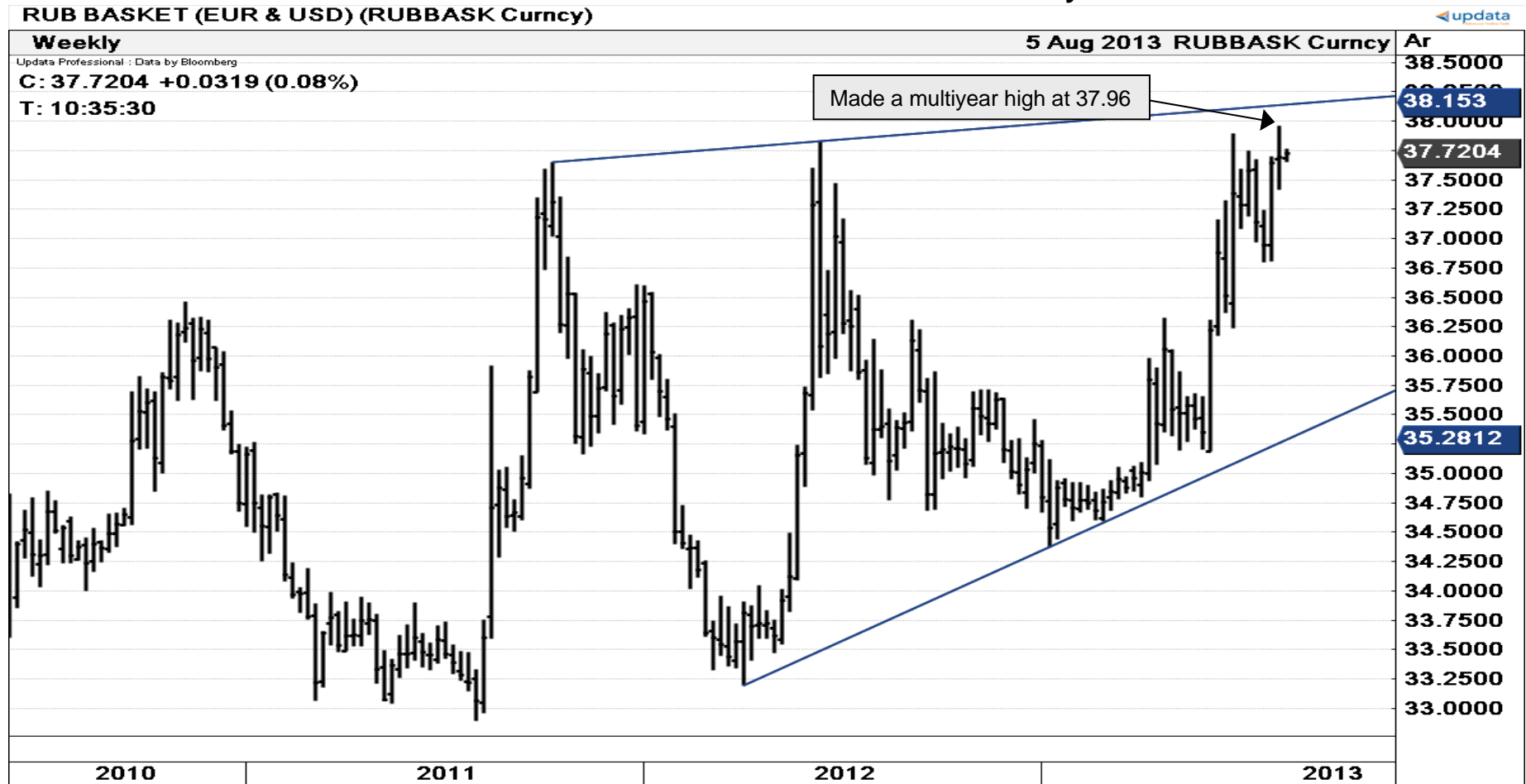


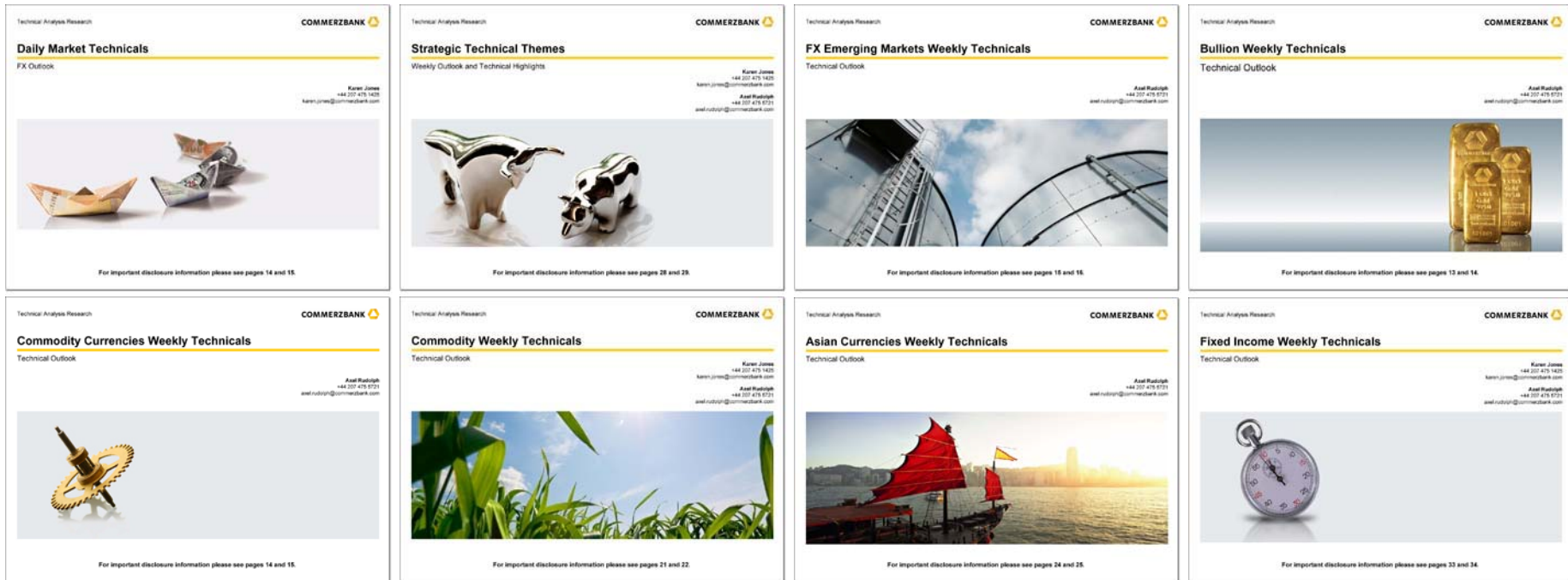
Support	Resistance	1-Week View	1-Month View
37.41&37.33	37.96&38.00	➔	➔
36.97&36.79	38.15&38.99		

Rouble Basket - Weekly Chart

Made a 3 3/4 year high at 37.96, a rise above which will eye the 2011-13 resistance line at 38.15

Rouble Basket Weekly Chart





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