

FX Emerging Markets Weekly Technicals

Monday, 19 August 2013

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

Technical Outlook

Emerging market currencies are losing ground versus the Euro and the US Dollar

Market	Short term view (1-3 weeks)
EUR/PLN:	We have changed our view to bullish; targets the 55 dma at 4.2637 and then the 4.35/37 region.
EUR/HUF:	Is expected to overcome resistance at 301.44/302.56 and also at 303.20 and eyes the 308 zone.
EUR/CZK:	Medium term still has the 26.13/20 resistance zone in its sights while it stays above its July low at 25.74.
EUR/TRY:	Made a new all-time high at 2.6116 and could reach the 61.8% Fibonacci extension at 2.6447.
USD/TRY:	Has the July peak and the 2009-13 resistance line at 1.9734/97 in its sights.
USD/BRL:	Trades in 4 ½ year highs at 2.4166 and targets the 2.5500 region.
USD/MXN:	Is rapidly heading higher again but resistance seen at 13.0685/13.2877 is expected to cap.
USD/ZAR:	Is about to break through a resistance line at 10.1996 and should overshoot the 10.3610 peak.
Rouble Basket:	Still consolidates below its July 3 ¾ year high at 38.07 while negative divergence can be seen.

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

Only the Czech Koruna holds its own versus the Euro

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

[update](#)

Daily PLNEUR Rebase HUFEUR Curncy 31/12/12 Rebase CZKEUR Curncy 31/12/12

19 Aug 2013 PLNEUR

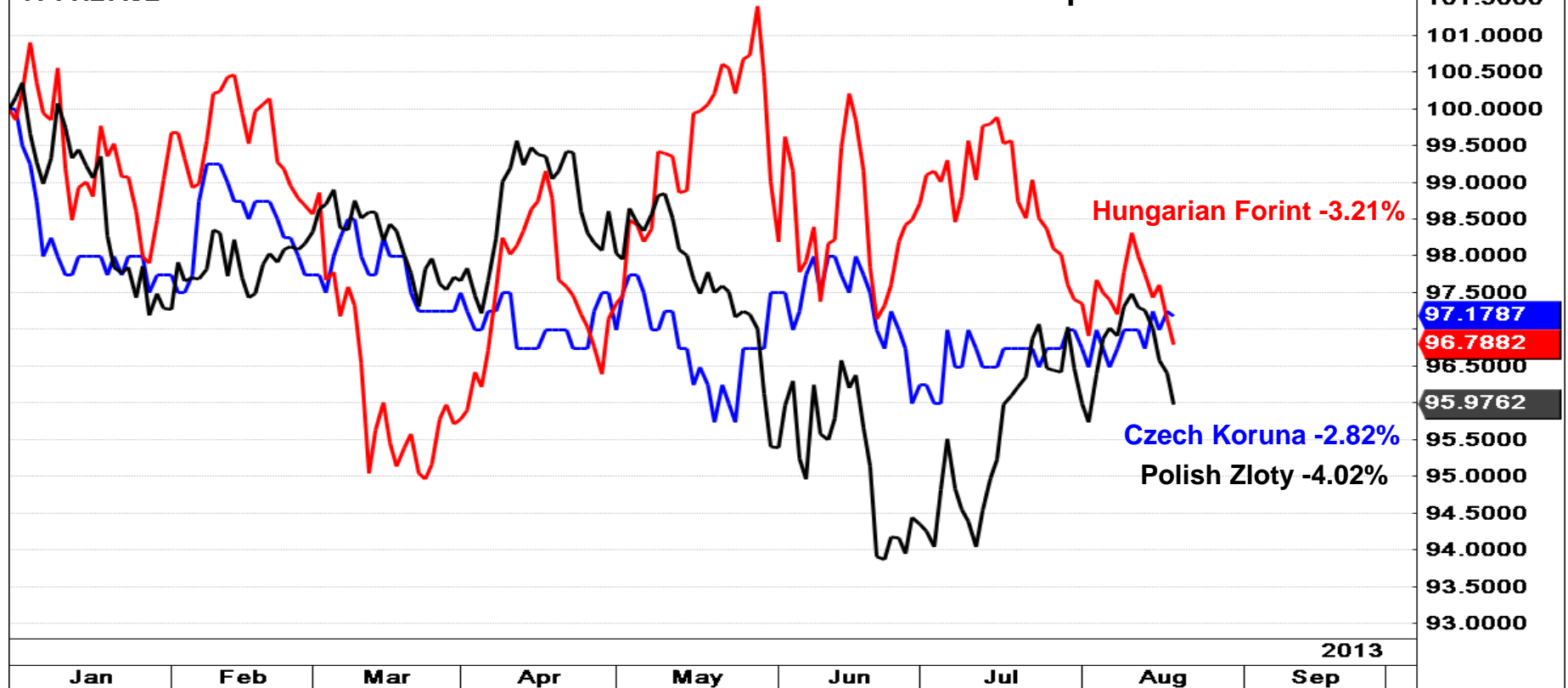
Ar

Update Professional : Data by Bloomberg

C: 0.23518 -0.00106 (-0.44%)

T: 11:27:52

2013 performance to date



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

EM currencies continue their slide versus the US Dollar

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

[update](#)

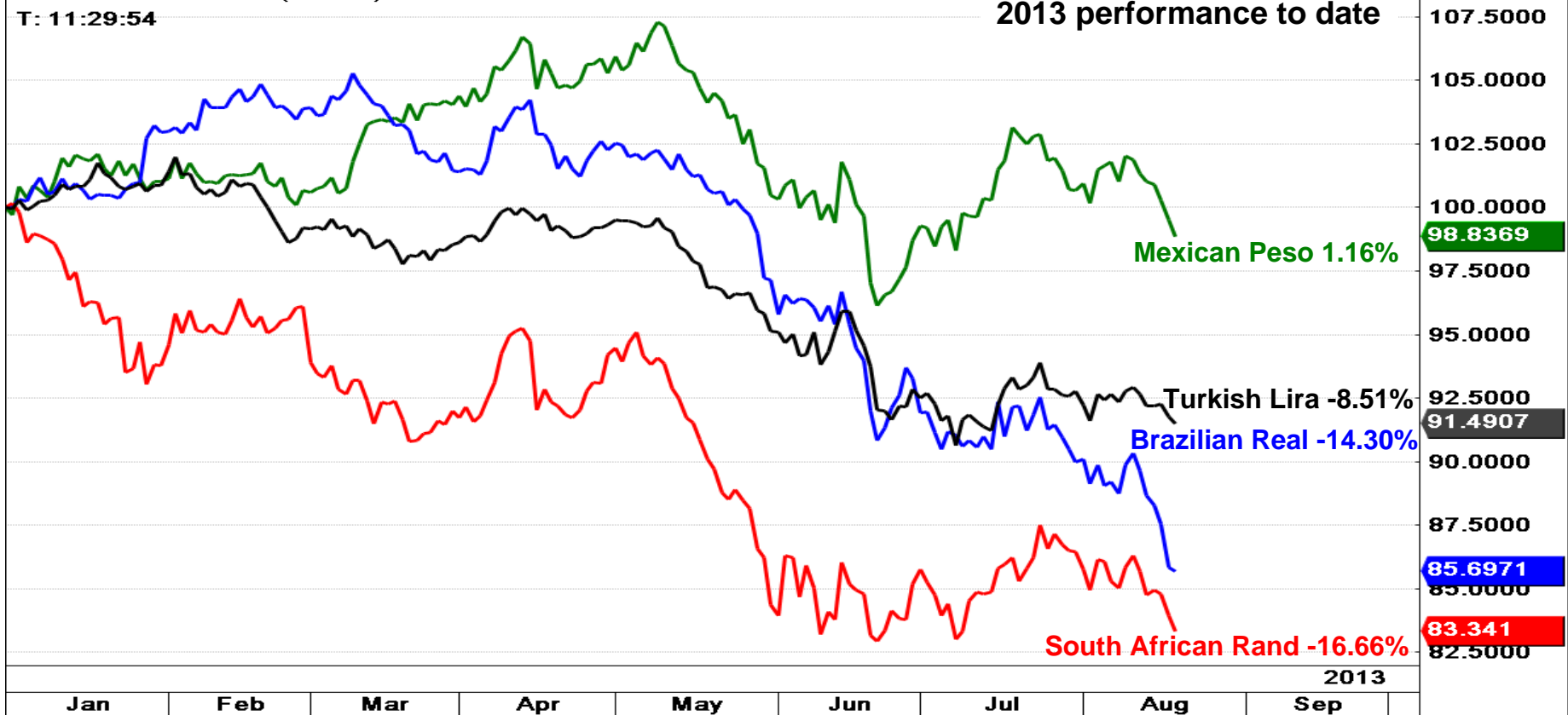
Daily TRYUSD Rebase ZARUSD Curncy 31/12/12 Rebase BRLUSD Curncy 31/12/12 Rebase MXNUSD Curncy 31 Ar

Update Professional : Data by Bloomberg

C: 0.51297 -0.00163 (-0.31%)

T: 11:29:54

2013 performance to date



EUR/PLN - Daily Chart

We have changed our view to bullish; targets the 55 dma at 4.2637 and then the 4.35/37 region

- › Last week EUR/PLN levelled out slightly above the 200 day moving average at 4.1772 and has been accelerating higher since then.
- › We believe that the June-to-August consolidation phase has now ended and that the currency pair is once again heading towards the 4.35/37 region in which the June and July highs were made.
- › First the 55 day moving average and the current August high at 4.2637/58 will need to be overcome.
- › Once this has happened the 50% retracement of the June-to-August descent at 4.2757 and then the 61.8% Fibonacci retracement at 4.2982 will be in focus for the days ahead.
- › We will retain our once again bullish forecast while the currency pair stays above its 4.1807 current August low on a daily closing basis.

EUR/PLN Daily Chart



Support	Resistance	1-Week View	1-Month View
4.2037/4.1994	4.2637/58	➔	➔
4.1807/4.1772	4.2757&4.2982		

EUR/PLN - Weekly Chart

Seems to have made an interim low at 4.1807

EUR/PLN Weekly Chart



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EUR/HUF - Daily Chart

Is expected to overcome resistance at 301.44/302.56 and also at 303.20 and eyes the 308 zone

- › EUR/HUF is seen breaking through its March-to-August downtrend line at 300.02 and thus has the 301.44/302.56 resistance area in its sights. It consists of the June peak and the late April high.
- › Once it has been bettered, the 2012-13 resistance line at 303.20 will be targeted (see the weekly chart on the following page) and then the 61.8% Fibonacci retracement of the 2012 decline at 305.22, followed by this year's March high at 308.65.
- › We still hold longs from 289.00 with a stop at 291.00 and target 303.20.
- › Only unexpected failure at the current 296.22 August low would neutralise our medium term bullish forecast and push the July low at 291.08 back to the fore. This we do not believe to happen, though.

EUR/HUF Daily Chart



Support	Resistance	1-Week View	1-Month View
297.86&296.27	301.44/302.56	➔	➔
296.22&295.09	303.20&304.46		

EUR/HUF - Weekly Chart

Is about to rise above the 301.44 June high and targets the resistance line at 303.20 and above

EUR/HUF Weekly Chart



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EUR/CZK - Daily Chart

Medium term still eyes 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 in July and again last week before trying to bounce off it.
- › While the 25.74 level underpins on a daily chart closing basis, the 2011 and June 2013 peaks at 26.13/14 will remain in focus, 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.
- › Support below 25.74 can be seen along the uptrend channel line at 25.66.
- › Our medium term bullish forecast will stay intact as long as EUR/CZK trades above the next lower 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

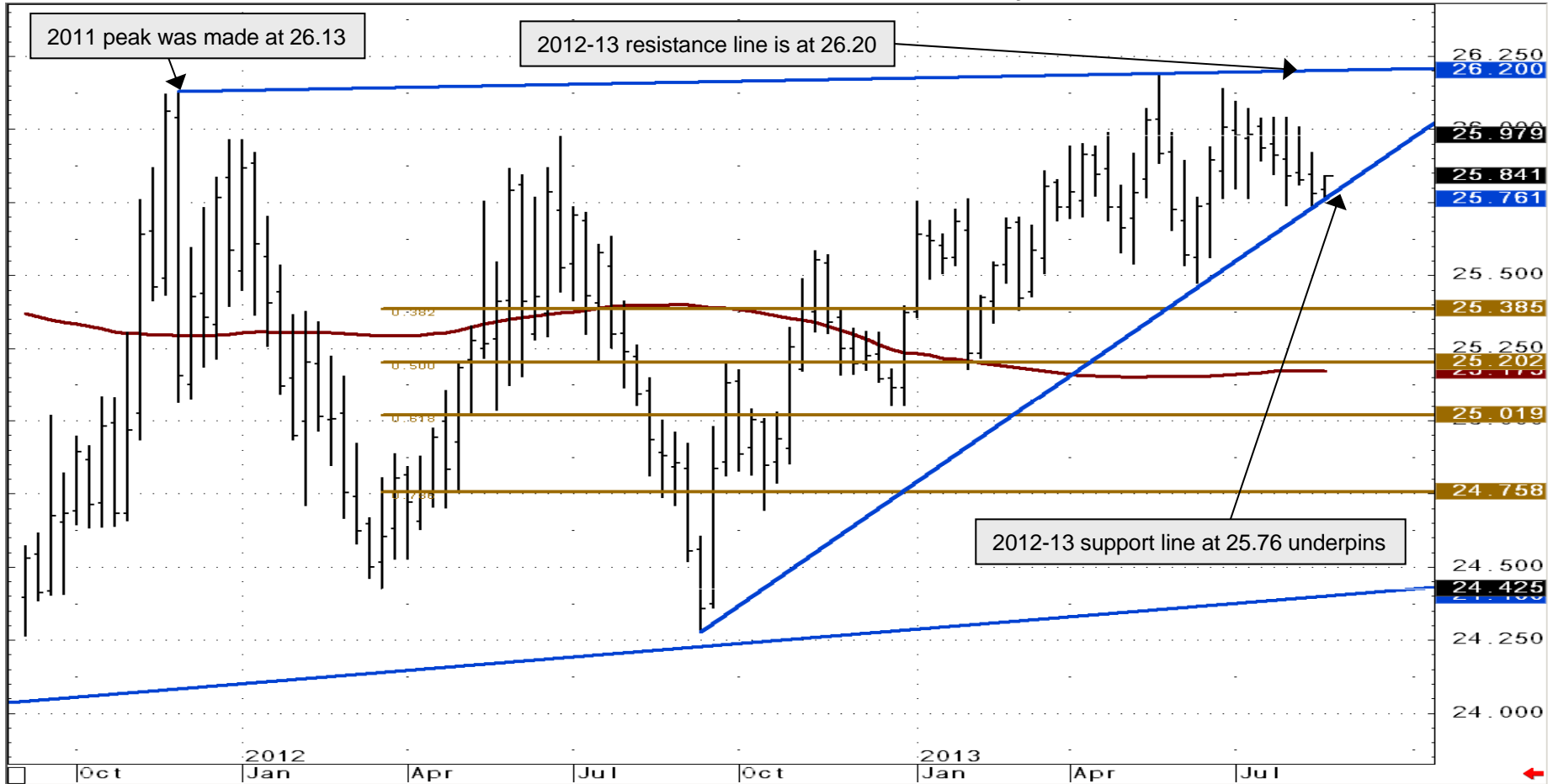


Support	Resistance	1-Week View	1-Month View
25.74&25.66	25.99/26.04	➔	➔
25.54&25.475	26.07&26.14		

EUR/CZK - Weekly Chart

Bounces off its July low at 25.74

EUR/CZK Weekly Chart



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EUR/TRY - Daily Chart

Made a new all-time high at 2.6116 and could reach the 61.8% Fibonacci extension at 2.6447

- › EUR/TRY has unexpectedly made a new all-time high at 2.6116 and looks to be on its way to the 61.8% Fibonacci extension of the April-to-June advance, projected higher from the July low, at 2.6447 and the minor psychological 2.6500 level.
- › This will be targeted while the currency pair remains above its 2.5484 mid-August low and while no clear reversal signal is being made.
- › The 2.6500 mark is also a vertical upside target on the 0.025 x 3 Point & Figure chart.
- › We would, for now, keep our trailing take profit stops to just below the 2.5467 late July low.

EUR/TRY Daily Chart

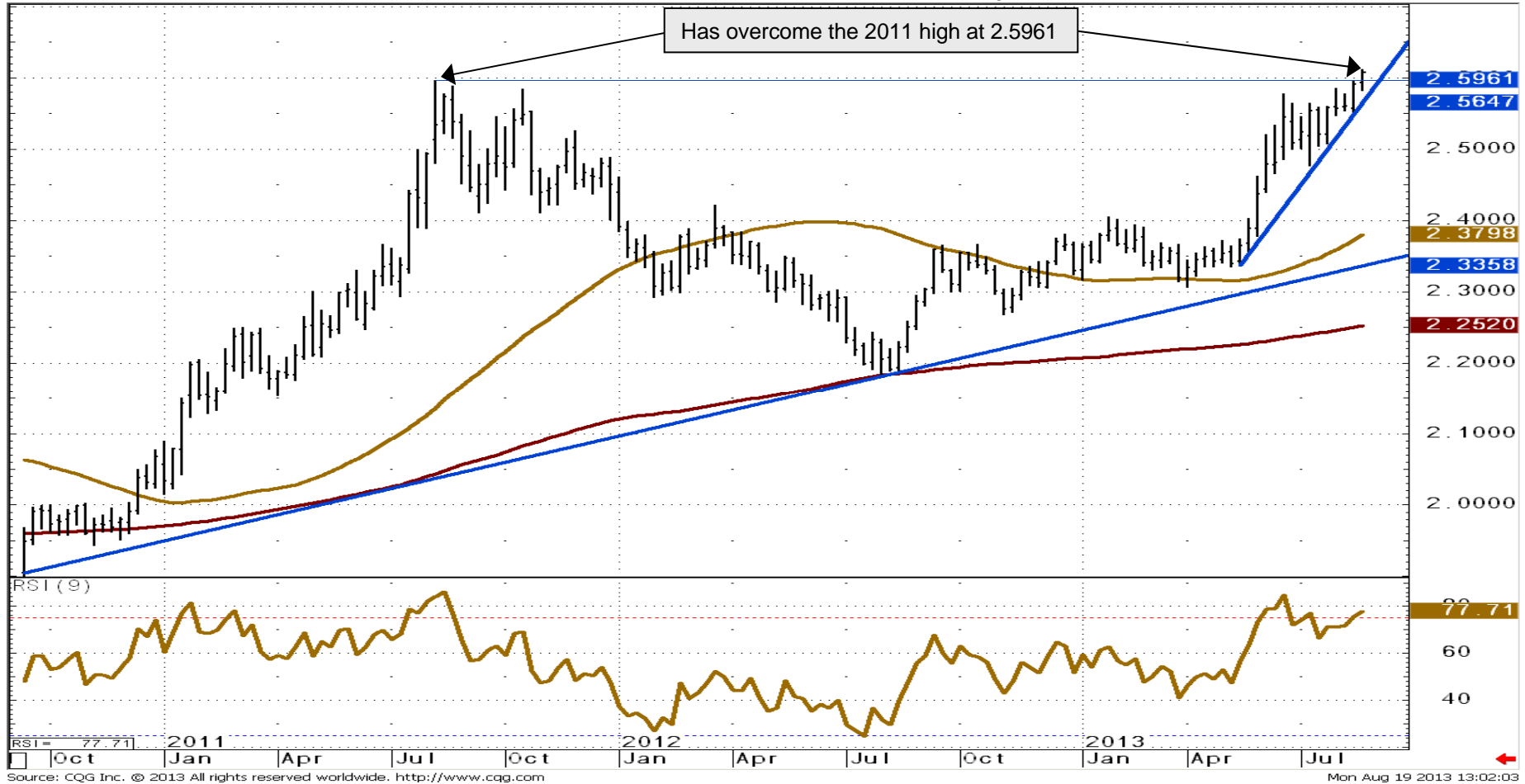


Support	Resistance	1-Week View	1-Month View
2.5778&2.5652	2.6116&2.6447	➔	➔
2.5484/67	2.6500&3.0000		

EUR/TRY - Weekly Chart

Made a new all-time high above the 2011 peak at 2.5961

EUR/TRY Weekly Chart



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USD/TRY - Daily Chart

Has the July peak and the 2009-13 resistance line at 1.9734/97 in its sights

- › USD/TRY's last few days' advance has so far taken it to above the 1.9521 early August high and targets the 1.9734/97 region. It encompasses the July peak and the 2009-13 resistance line (please see the weekly chart on the following page).
- › If exceeded, the psychological 2.0000 level will be in view.
- › Minor support is seen between the four month support line at 1.9250 and the 55 day moving average at 1.9214 with further support coming in at the current August low at 1.9144.
- › We will remain 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
1.9250/14	1.9604&1.9734	➔	➔
1.9144&1.8992	1.9797&2.0000		

USD/TRY - Weekly Chart

Heads back up towards the long term resistance line at 1.9797

USD/TRY Weekly Chart



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USD/BRL - Daily Chart

Trades in 4 ½ year highs at 2.4166 and targets the 2.5500 region

- › Our anticipated correction lower turned out to be much shallower and shorter than expected.
- › USD/BRL has made a four and a half year high at 2.4166 and is fast approaching the 2009 peak at 2.4554 and also the 38.2% Fibonacci retracement of the 2002-11 descent at 2.4736.
- › Further up lies the psychological 2.5000 region which is likely to act as resistance.
- › Another potential upside target is the 100% Fibonacci extension of the 2011-12 rise, projected higher from the 1.9433 March 2013 low, at 2.5564.
- › We will retain our medium term bullish view while the currency pair remains above the 2.2637 current August low.

USD/BRL Daily Chart

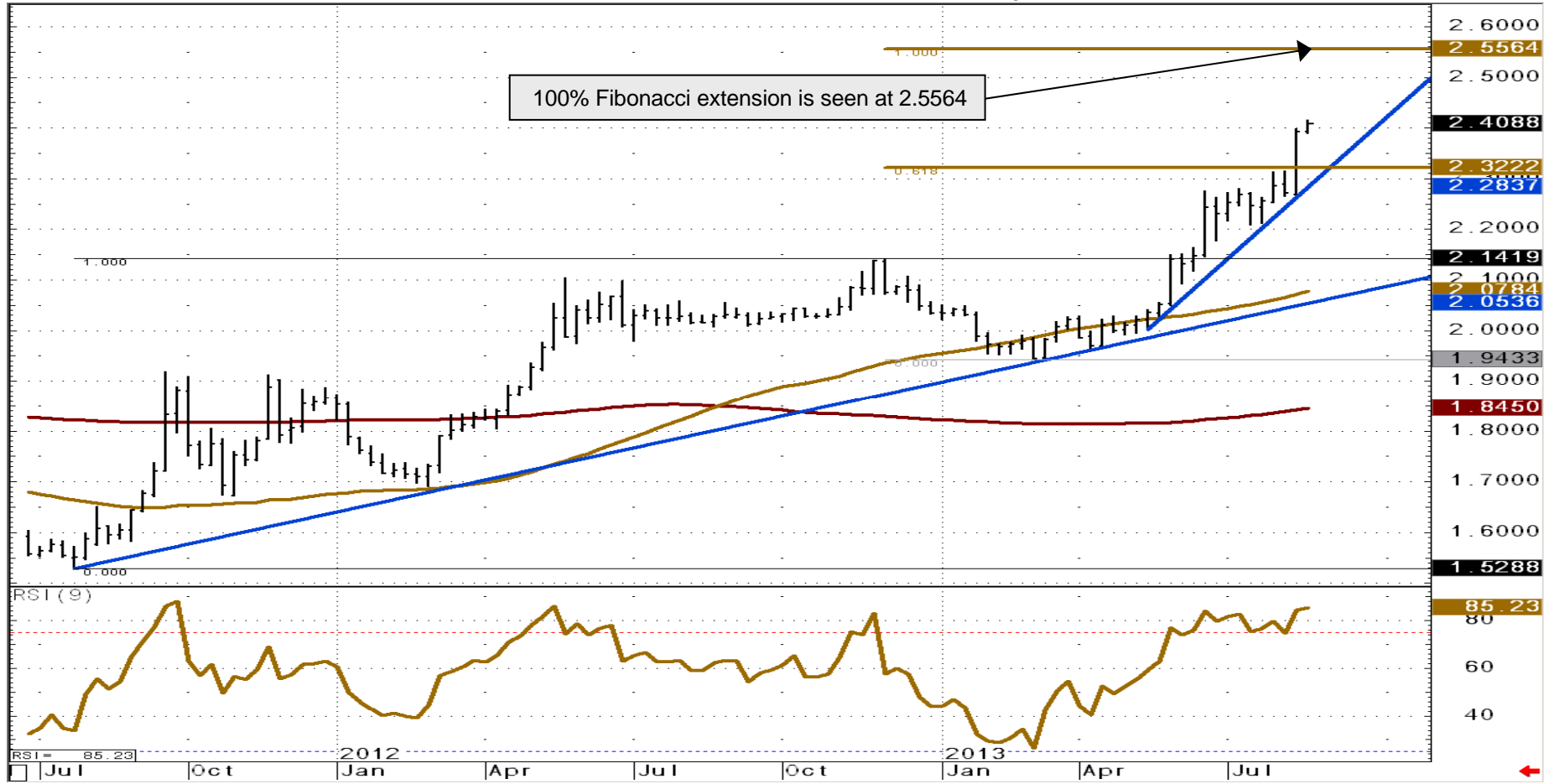


Support	Resistance	1-Week View	1-Month View
2.3265/2.3159	2.3133/59	➔	➔
2.2802/2.2637	2.3222&2.5000		

USD/BRL - Weekly Chart

Trades at levels last seen in March 2009

USD/BRL Weekly Chart

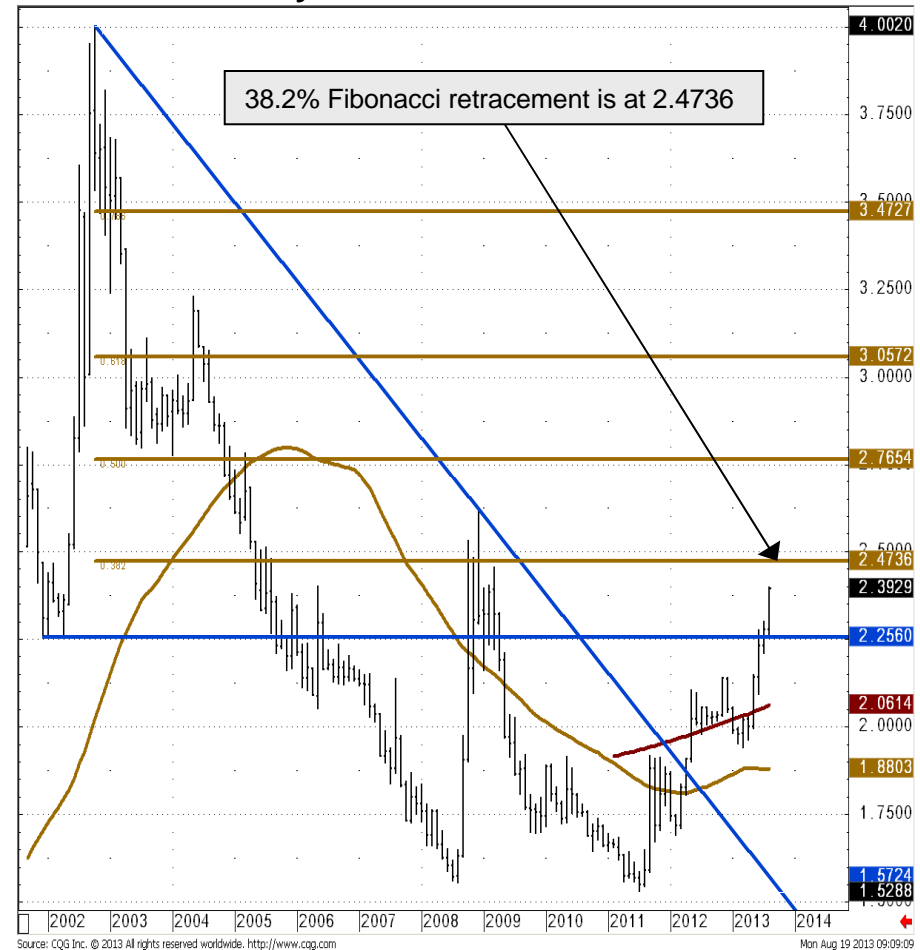


USD/BRL - Monthly Chart

Is surging higher towards the 2.4554 2009 peak and the 38.2% Fibonacci retracement at 2.4736

- › Over the past few months the US Dollar has greatly outstripped the Brazilian Real with the greenback having gained some 23% from its March low at 1.9418.
- › The 2009 peak at 2.4554 is in focus as well as the 38.2% Fibonacci retracement of the 2002-11 descent at 2.4736.
- › Good support can now be seen around the late 2001 and the 2002 lows at 1.2560/40.
- › Other emerging market currencies (or NDFs) such as the Indonesian Rupiah, Mexican Peso and South African Rand are also depreciating versus the US Dollar, having respectively decline by -2.74%, -2.30% and -2.29% this week alone.
- › This compares to a weekly depreciation of some -4.38% for the Brazilian Real (please see page 3 of this publication for more details).

USD/BRL Monthly Chart



USD/MXN - Daily Chart

Is rapidly heading higher again but resistance seen at 13.0685/13.2877 is expected to cap

- › USD/MXN reversed its short term downtrend and is rapidly heading higher again.
- › The area seen between the 61.8% Fibonacci retracement of the June-to-July decline at 13.0685 and the 2012-13 resistance line at 13.2877 is expected to cap, however.
- › Provided that this will indeed be the case, a sell-off back towards the 12.5959/1.5502 region (four month support line, March 2012 and January 2013 lows as well as current August low) remains on the cards in the months to come.
- › Minor support can now be seen between the 12.8940 late July high and the 55 day moving average at 12.8217.
- › Further support comes in between the 200 day moving average and four month support line at 12.6571/15.5959.

USD/MXN Daily Chart

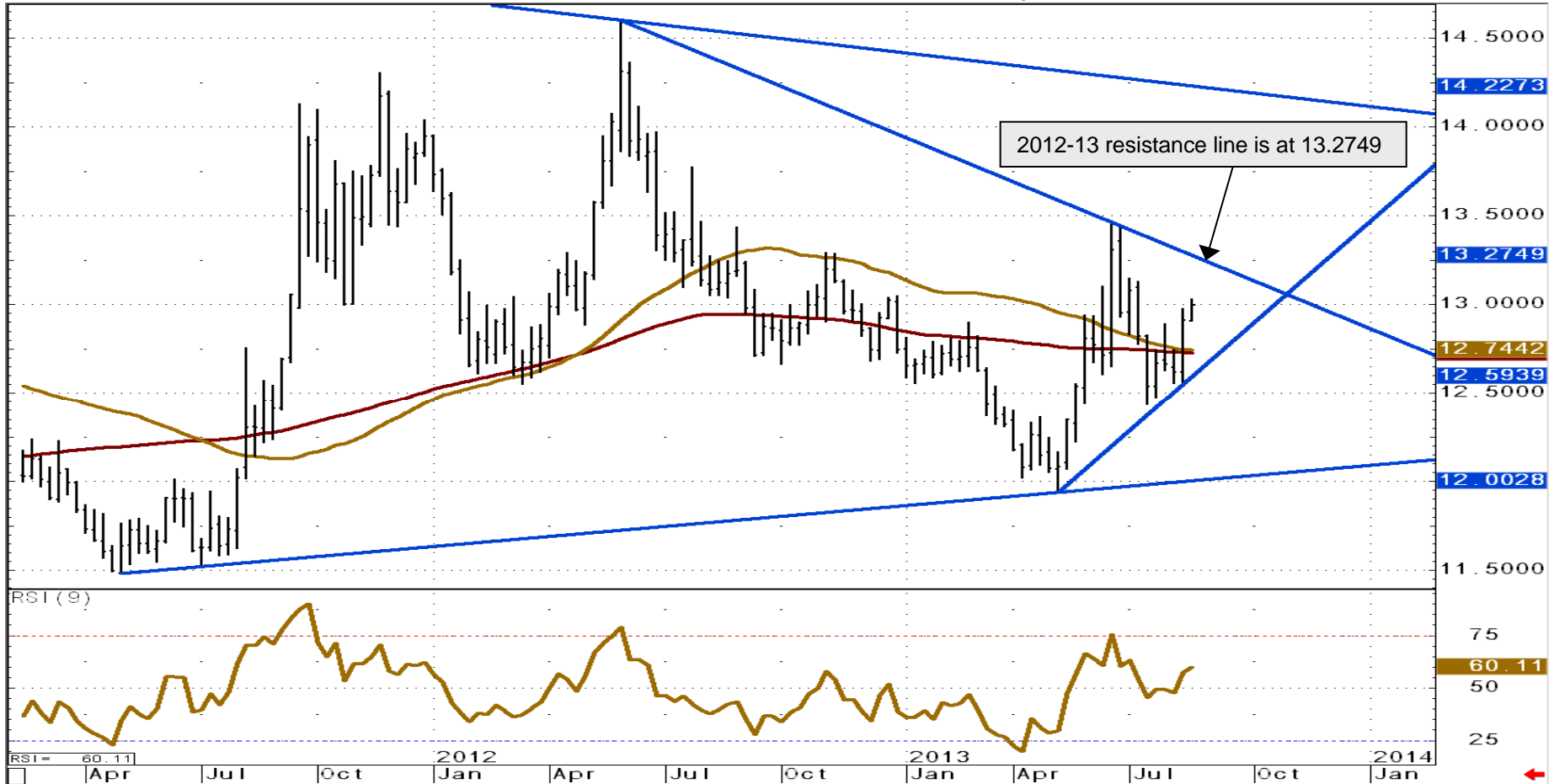


Support	Resistance	1-Week View	1-Month View
12.894/12.822	13.066&13.151	➔	➔
12.657/15.596	13.288&13.462		

USD/MXN - Weekly Chart

Heads back up towards the 2012-13 resistance line at 13.2749

USD/MXN Weekly Chart



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USD/ZAR - Daily Chart

Is about to break through a resistance line at 10.1996 and should overshoot the 10.3610 peak

- › USD/ZAR is accelerating higher again and is about to break through the three month resistance line at 10.1996.
- › Once bettered, the 10.2850/10.3610 resistance area will be back in play. It is where the May-to-July highs have been
- › 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.
- › We will retain our bullish forecast while the currency pair stays above the current August low at 9.7298.
- › Minor support above this level can be seen around the 55 day moving average at 9.9607 and along the four month support line at 9.8019.

USD/ZAR Daily Chart



Support	Resistance	1-Week View	1-Month View
9.9607&9.8019	10.285/10.361	➔	➔
9.7298&9.6130	10.696/10.790		

USD/ZAR - Weekly Chart

Is heading higher again and targets the 10.6956/10.7900 region

USD/ZAR Weekly Chart



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Rouble Basket - Daily Chart

Still consolidates below its July 3 ¼ year high at 38.07 while negative divergence can be seen

- › Even though the rouble basket made a near four year high at 38.07 last week we have kept our neutralised short term forecast.
- › The reason for this view is that negative divergence can still be seen on the daily RSI. It points at least to a loss of upside momentum.
- › While the rouble basket stays above the 37.33 mid-June high on a daily chart closing basis, however, recent short term upside pressure should be maintained.
- › As long as no daily chart close below the next lower 36.79 July low is being made, our medium term bullish outlook will remain valid with the 2011-13 resistance line at 38.16 being on the cards.
- › Support above the 36.79 July low comes in around the 55 day moving average at 37.36 and support above the 37.33 mid-July low can be seen at the 37.61 current August low.

Support	Resistance	1-Week View	1-Month View
37.61&37.33	38.01/07	➔	➔
37.19&37.08	38.16&38.99		

Rouble Basket Daily Chart



Rouble Basket - Weekly Chart

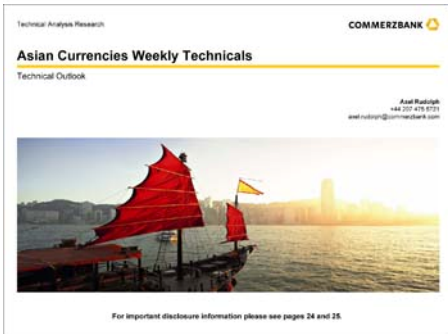
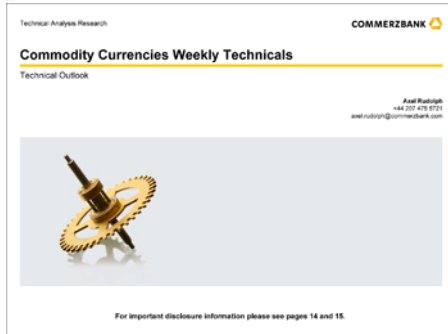
Made a 3 3/4 year high at 38.07, a rise above which will eye the 2011-13 resistance line at 38.16

Rouble Basket Weekly Chart

RUB BASKET (EUR & USD) (RUBBASK Currency)

update





Other technical analysis reports we publish are:

- Monday:** Daily Market Technicals (FX), Strategic Technical Themes;
- Tuesday:** Daily Market Technicals (FX), Bullion Weekly Technicals;
- Wednesday:** Daily Market Technicals (FX), Commodity Weekly, Commodity Currencies Weekly Technicals;
- Thursday:** Daily Market Technicals (FX), Asian Currencies Weekly Technicals, FX Strategy;
- Friday:** Daily Market Technicals (FX), Fixed Income Weekly Technicals.

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