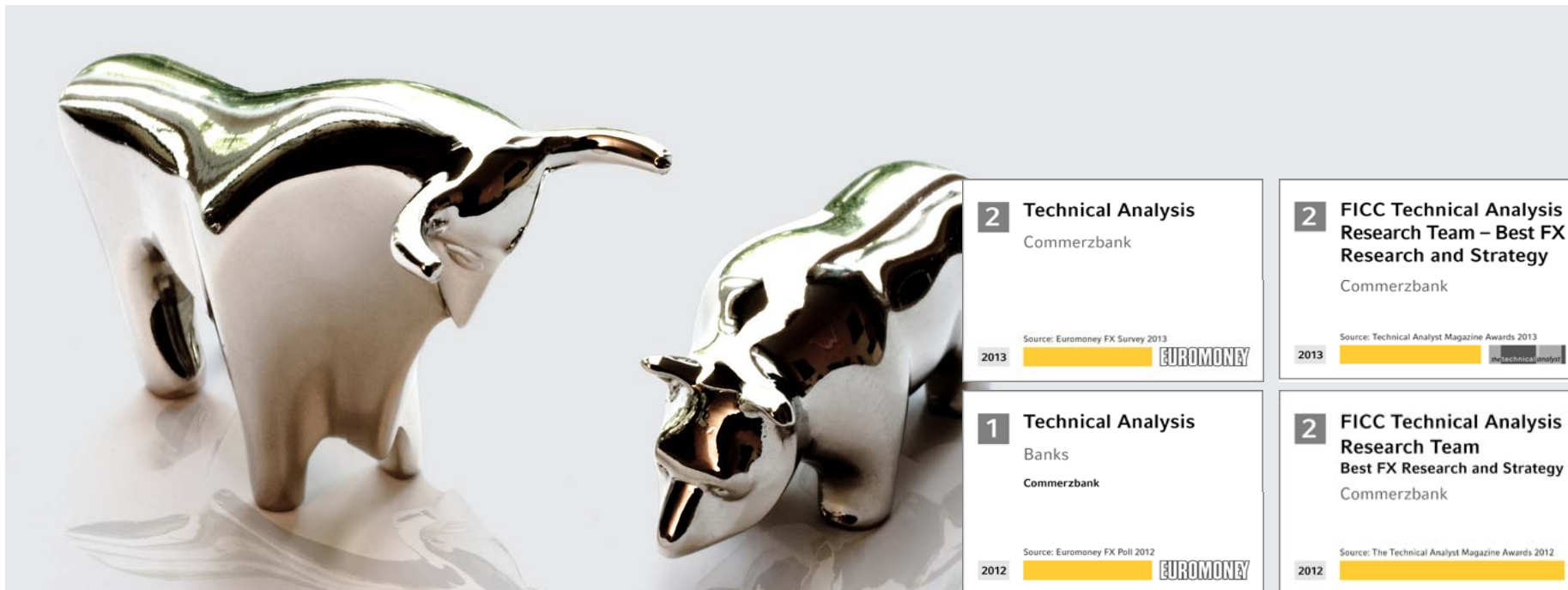






# Chart Watch – FX Markets

Thursday, 15 August 2013

## Outlook and Technical Highlights

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<b>2</b> Technical Analysis Commerzbank  <small>Source: Euromoney FX Survey 2013</small> 2013  <b>EUROMONEY</b>	<b>2</b> FICC Technical Analysis Research Team – Best FX Research and Strategy Commerzbank  <small>Source: Technical Analyst Magazine Awards 2013</small> 2013  <b>the technical analyst</b>
<b>1</b> Technical Analysis Banks Commerzbank  <small>Source: Euromoney FX Poll 2012</small> 2012  <b>EUROMONEY</b>	<b>2</b> FICC Technical Analysis Research Team Best FX Research and Strategy Commerzbank  <small>Source: The Technical Analyst Magazine Awards 2012</small> 2012  <b>the technical analyst</b>

For important disclosure information please see end of document

## FX Technical Outlook

Themes	Short term view (1–3 weeks)
Yen strength	<p>USD/JPY is ratcheting lower towards its 94.77 triangle support line.</p> <p>EUR/JPY bounced off its 128.02 July low but remains under pressure while below 131.97, the current August high.</p>
EUR/GBP formed a top	<p>EUR/GBP's reversal lower over the past few days means that the August high at .8768 is another significant top.</p>
AUD/USD is pushing higher	<p>Is correcting higher towards the .9256/.9320 resistance area around which it should fail before resuming its medium term downtrend.</p>
NZD/USD rises as well	<p>Is seen breaking through the April-to-August resistance line at .8074 and is expected to probe the .8106/62 resistance area which is to cap, though.</p>
US Dollar Index at key support	<p>The 2011-2013 uptrend line at 80.96 and the 80.50 June low are key for the medium term trend. We expect this support area to hold and for renewed upside to soon be seen.</p>

# Bullish and bearish trending signals

## Bullish (ADX>20, MACD>0 and +DI>-DI)

Code Name	Long Name	C1	C2	C3	C4	Δ Success	Score
USSWAP5 Curncy	USD SWAP SEMI 30/360 5YR	✓	✓	✓	✓	4	4
USSWAP2 Curncy	USD SWAP SEMI 30/360 2YR	✓	✓	✓	✓	4	4
USSWAP10 Curncy	USD SWAP SEMI 30/360 10Y	✓	✓	✓	✓	4	4
SILV Comdty	SILVER SPOT \$/OZ	✓	✓	✓	✓	4	4
PLAT Comdty	PLATINUM SPOT \$/OZ	✓	✓	✓	✓	4	4
LMSNDS03 Index	LME TIN 3MO (\$)	✓	✓	✓	✓	4	4
LMCADS03 Index	LME COPPER 3MO (\$)	✓	✓	✓	✓	4	4
JBA Comdty	JPN 10Y BOND(TSE) Mar10	✓	✓	✓	✓	4	4
HUI Index	NYSE Arca Gold BUGS	✓	✓	✓	✓	4	4
GBP Curncy	BRITISH POUND SPOT	✓	✓	✓	✓	4	4
EUSA5 Curncy	EUR SWAP ANNUAL 5 YR	✓	✓	✓	✓	4	4
EUSA2 Curncy	EUR SWAP ANNUAL 2 YR	✓	✓	✓	✓	4	4
EUSA10 Curncy	EUR SWAP ANNUAL 10 YR	✓	✓	✓	✓	4	4
EURCHF Curncy	EUR-CHF X-RATE	✓	✓	✓	✓	4	4
BRL Curncy	BRAZILIAN REAL SPOT	✓	✓	✓	✓	4	4

## Bearish (ADX>20, MACD<0 and +DI<-DI)

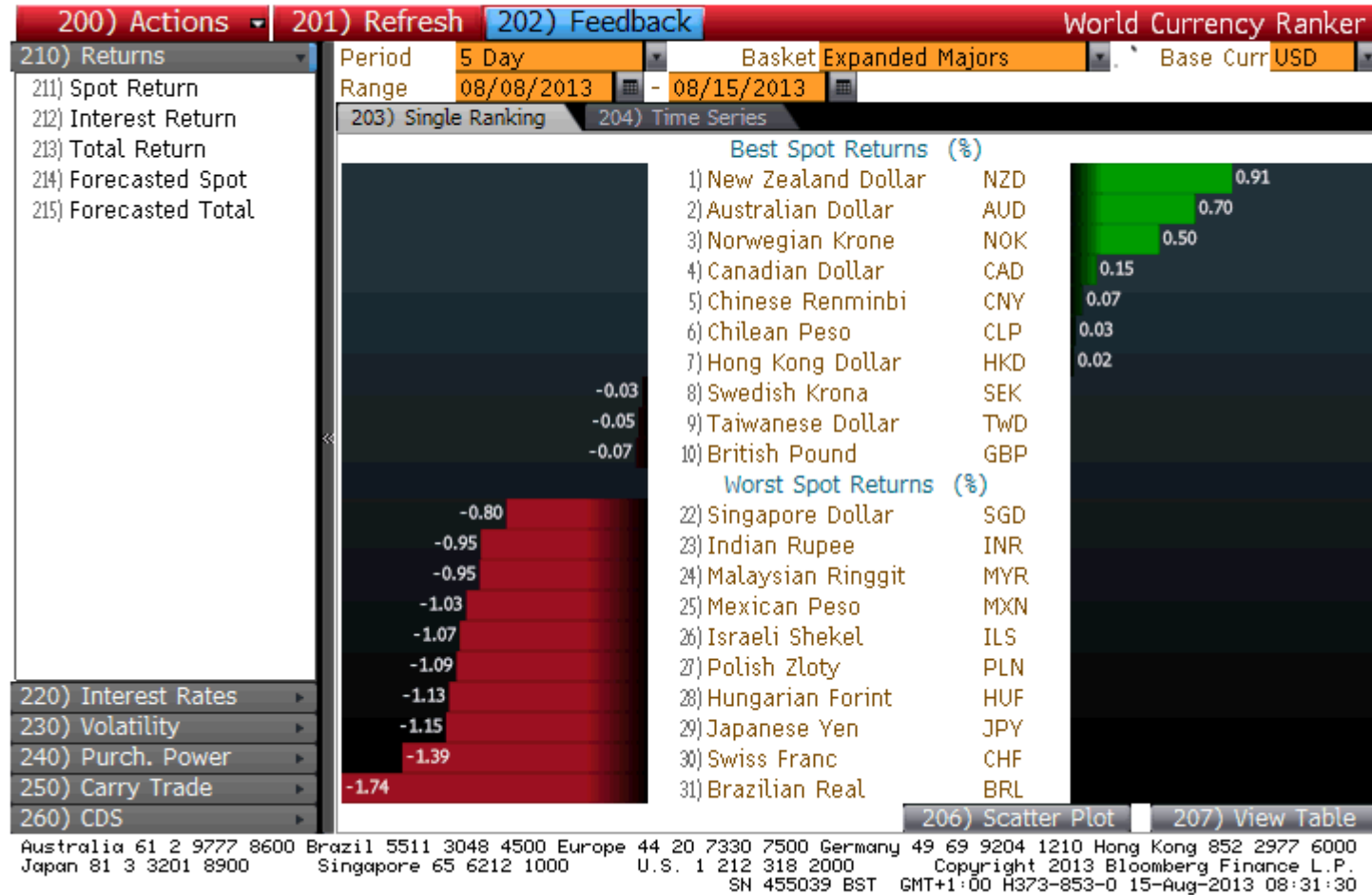
Code Name	Long Name	C1	C2	C3	C4	Δ Success	Score
W A Comdty	WHEAT FUTURE(CBT) Dec13	✓	✓	✓	✓	4	4
TY1 Comdty	US 10YR Note Future (continuous)	✓	✓	✓	✓	4	4
RXA Comdty	EURO-BUND FUTURE Sep13	✓	✓	✓	✓	4	4
JYSW10 Curncy	JPY SWAP 10 YR	✓	✓	✓	✓	4	4
DU1 Comdty	Generic 1st 'DU' Future	✓	✓	✓	✓	4	4

**NB: This is NOT a model and is intended for reference only. It is a basic system to determine if a market is trending or not. It cannot judge strength of support or resistance or whether various momentum oscillators have diverged. For this reason it is possible that the we will occasionally hold a different position to that indicated by the tables above.**

# Currency ranking vs the US Dollar for the past 5 days

<HELP> for explanation.

Enter all values and hit <Go>



Source Bloomberg 08.30 AM

## Technical Trade Ideas

Date	Instrument	Trade Idea	Stop	Take Profit	Outcome	P&L
08.07.2013	bund	Sell 143.60, add 143.98	Lower stop from 144.40 to 143.30	140.00	Short at 143.79	+1.95%
01.08.2013	EUR/USD	Sell 1.3265, add 1.3370	Stop at 1.3425	1.3000	Short at 1.3318	+0.2%

# USD/JPY – Daily Chart

USD/JPY is ratcheting lower towards triangle support at 94.77

- › On Wednesday USD/JPY reached the 55 day moving average at 98.42 which capped it.
- › While the currency pair remains below the four month resistance line at 99.97, downside pressure should be maintained with the triangle support line at 94.77 being targeted.
- › Short term resistance above the 55 day moving average but below the resistance line is seen at the current August high at 99.95.
- › On the way down lurks the 78.6% Fibonacci retracement of the June-to-July rise at 95.42.
- › Over the coming weeks we allow for losses back to the 93.77/75 support area. This is where the 200 day moving average and the June low are to be found.

Daily USD/JPY Chart



Source: CQG Inc. © 2013 All rights reserved worldwide. <http://www.cqg.com>

Thu Aug 15 2013 05:53:53

# EUR/JPY – Daily Chart

EUR/JPY bounced off its 128.02 July low but is bearish while below the 131.97 August high

- › EUR/JPY's swift recovery off Monday's 127.97 low has so far taken it to 130.68, not far off the 61.8% Fibonacci retracement at 130.92. There EUR/JPY may well struggle.
- › Key resistance above it can be seen around the 131.97 current August high. While below here, we will remain medium term bearish.
- › A fall through the current 127.97 August low should see follow through losses to 126.57, the June 26 low.
- › This is regarded as the last defence for the 124.94 June low which is our downside target for the weeks to come.

Daily EUR/JPY Chart



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Thu Aug 15 2013 06:00:43

# EUR/GBP – Daily Chart

EUR/GBP's reversal lower means that the August high at .8768 is another significant top

- › EUR/GBP made another significant top at .8768 in early August.
- › This week's drop through the .8582 July 23 low has confirmed the trend reversal.
- › EUR/GBP is currently trading back around the four month support line at .8536, a fall through which will push the .8500 region and the June low at .8470 back into the picture.
- › Minor resistance sits at .8580/84 (July 10 low and 55 day moving average) and further resistance at .8597, the May peak.
- › We expect to see a sell-off towards the 200 day moving average at .8450 being seen over the coming weeks now that the current August high at .8769 has been highlighted as a significant top.

Daily EUR/GBP Chart





# AUD/USD – Daily Chart

AUD/USD is correcting higher to the .9256/.9319 resistance area around which it should fail

- > AUD/USD is bouncing off the breached downtrend channel line at .9050 and has the 55 day moving average at .9247 back in focus.
- > Between it and the .9319 July high we should see failure and the resumption of the longer term bearish trend.
- > Once Wednesday's low at .9074 has been slipped through, a tumble back towards the .9038/.8999 support zone (early and mid-July lows) should be seen.
- > Longer term we remain negative and our downside target is seen at .8550, the 50% retracement of the move up from 2008.
- > Our longer term downside target measured from the top is .7700.
- > While capped by key resistance at .9388/.9404 (2011 low and 2009 high), our downside bias will remain in place.

Daily AUD/USD Chart



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Thu Aug 15 2013 05:58:23

# NZD/USD - Daily Chart

Breaks through the five month resistance line at .8074 and is to probe resistance at .8106/62

- › Last week NZD/USD hammered out a bottom at .7693 and has since risen through the 38.2% Fibonacci retracement of the April-to-June decline at .8063 and the five month resistance line at .8074.
- › The .8107/62 resistance area, made up of the June and July highs and the March low, is thus being targeted. There NZD/USD is expected to be capped, however.
- › We will retain our medium term bearish forecast while the currency pair stays below its .8162 March low on a daily New York closing basis.
- › Our medium term downside target zone is still made up of the .7456/.7371 May 2012 low and November 2011 low. These remain our downside targets for the months to come but will only be back on the map once last week's low at .7693 has been fallen through.

NZD/USD Daily Chart



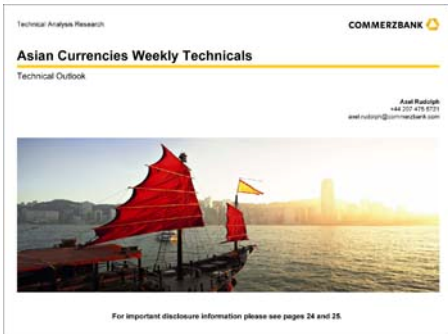
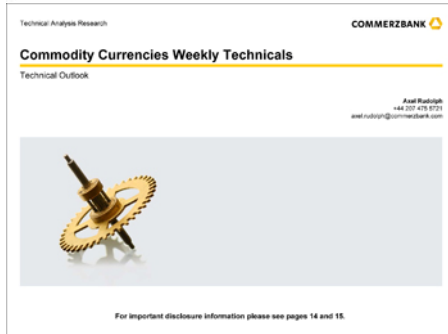
# US Dollar Index - Weekly Chart

The 2011-2013 uptrend line at 80.96 and the 80.50 June low are key for the medium term trend

- › Over the past couple of weeks the US Dollar Index retested but held at its 2011-13 uptrend line.
- › As long as it and the next lower June low at 80.50 continue to hold, our medium term bullish forecast will remain valid.
- › Upside targets for the months ahead are the 84.10/75 2012 as well as May and July 2013 highs.
- › The 78.6% Fibonacci retracement of the 2010-11 decline at 85.28 and the 2005-13 resistance line at 85.97 also remain in focus.
- › Should key support at 80.96/50 be fallen through, however, the 200 week moving average at 79.64 and the September 2012 to January 2013 lows at 78.92/60 could be retested before the long term uptrend resumes.
- › We expect the 80.96/50 support area to hold, though, and for renewed upside to be seen in the weeks to come.

US Dollar Index Weekly Chart





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