

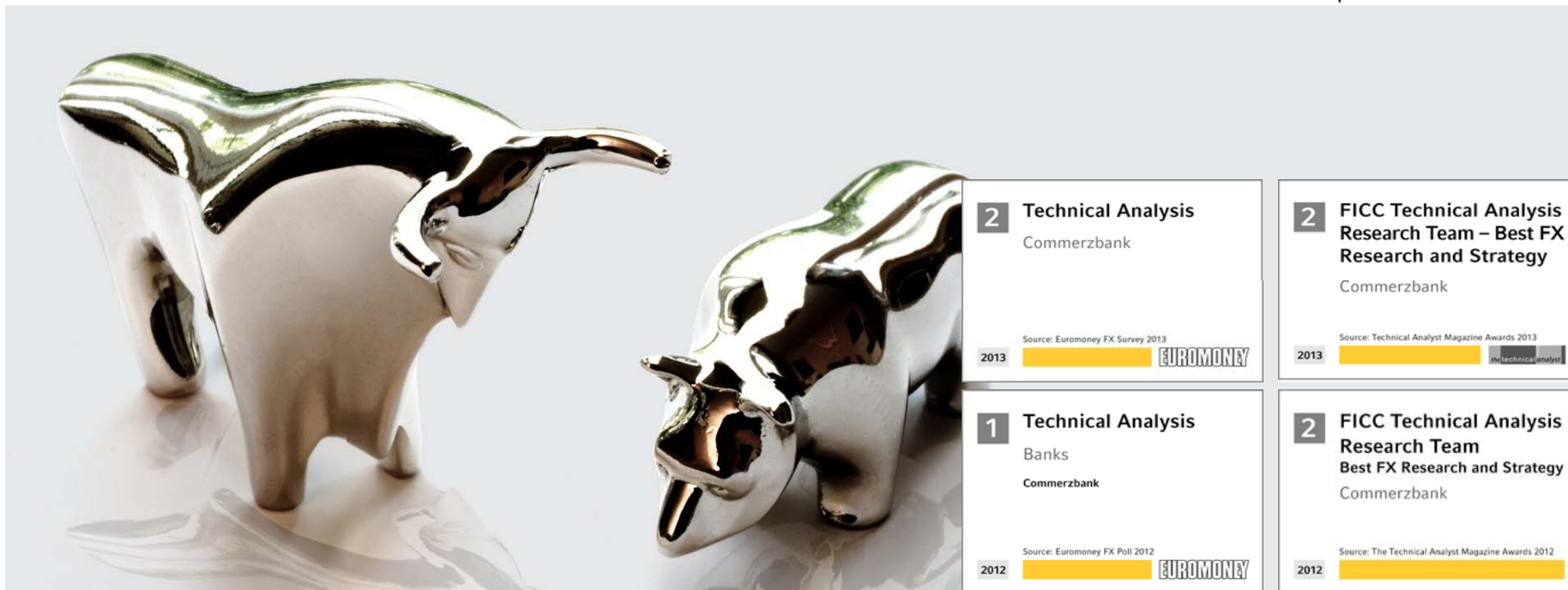
Chart Watch – FX Markets

Thursday, 29 August 2013

Outlook and Technical Highlights

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FX Technical Outlook

| Themes | Short term view (1–3 weeks) |
|--|--|
| US dollar downside is limited | <p>US Dollar Index - finding support ahead of the 80.50 June low. Intraday Elliot wave count suggests recovery to the 82.10 vicinity.</p> <p>EUR/USD - divergence of the daily RSI suggests loss of momentum and a slide back to the 1.3220/1.3186 region.</p> <p>AUD/USD needs to go back on the radar as it is approaching the .8848 August low. We remain longer term bearish</p> |
| Yen strength is to be seen | <p>EUR/JPY under pressure in converging range. Risks increasing for a break lower</p> <p>AUD/JPY is sitting on its 86.39 recent low - risk remains for losses to the 200 week ma at 84.21</p> |
| Emerging market currencies remain under pressure | <p>USD/TRY - Made a new all-time high at 2.0728 while en route to the 2.0922/2.1000 region.</p> <p>USD/ZAR - Still targets the 10.6956/10.7900 region.</p> |
| NZD is under pressure | <p>NZD/USD - Drops towards the 2011-13 support line at .7661 which is expected to eventually give way.</p> <p>NZD is expected to under perform CAD. Potential bear flag developing which leaves the 2009-2013 uptrend exposed.</p> |

Technical Trade Ideas

| Date | Instrument | Trade Idea | Stop | Take Profit | Outcome | P&L |
|------------|------------|-------------------------------|--------------------------------------|-------------|-----------------|-----|
| 22.08.2013 | EUR/USD | Sell at 1.3360, add at 1.3420 | Lower the stop from 1.3455 to 1.3415 | 1.3000 | Short at 1.3355 | |

Bullish and bearish trending signals

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

| Long Name | C1 | C2 | C3 | C4 |
|---|----|----|----|----|
| USD SWAP SEMI 30/360 2YR | ✓ | ✓ | ✓ | ✓ |
| NEW TURKISH LIRA SPOT | ✓ | ✓ | ✓ | ✓ |
| NORWEGIAN KRONE SPOT | ✓ | ✓ | ✓ | ✓ |
| Heating Oil Future (continuous) | ✓ | ✓ | ✓ | ✓ |
| RUSSIAN RUBLE SPOT | ✓ | ✓ | ✓ | ✓ |
| Generic 1st 'JB' Future | ✓ | ✓ | ✓ | ✓ |
| 10YR MINI JGB FUT Sep13 | ✓ | ✓ | ✓ | ✓ |
| EUR-PLN X-RATE | ✓ | ✓ | ✓ | ✓ |
| USDINR Spot Exchange Rate - Price of 1 USD in INR | ✓ | ✓ | ✓ | ✓ |
| EURSKK Spot Exchange Rate - Price of 1 EUR in SKK | ✓ | ✓ | ✓ | ✓ |
| GOLD SPOT \$/OZ | ✓ | ✓ | ✓ | ✓ |
| EUR-HUF X-RATE | ✓ | ✓ | ✓ | ✓ |
| USDIDR Spot Exchange Rate - Price of 1 USD in IDR | ✓ | ✓ | ✓ | ✓ |
| EUR-AUD X-RATE | ✓ | ✓ | ✓ | ✓ |
| EUR-NOK X-RATE | ✓ | ✓ | ✓ | ✓ |

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

| Long Name | C1 | C2 | C3 | C4 |
|--------------------------------|----|----|----|----|
| S&P 500 INDEX | ✓ | ✓ | ✓ | ✓ |
| USD-JPY X-RATE | ✓ | ✓ | ✓ | ✓ |
| NEW ZEALAND DOLLAR SPOT | ✓ | ✓ | ✓ | ✓ |
| AUSTRALIAN DOLLAR SPOT | ✓ | ✓ | ✓ | ✓ |
| USD-JPY X-RATE | ✓ | ✓ | ✓ | ✓ |
| Coffee 'C' Future (continuous) | ✓ | ✓ | ✓ | ✓ |
| JPY SWAP 5 YR | ✓ | ✓ | ✓ | ✓ |

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.

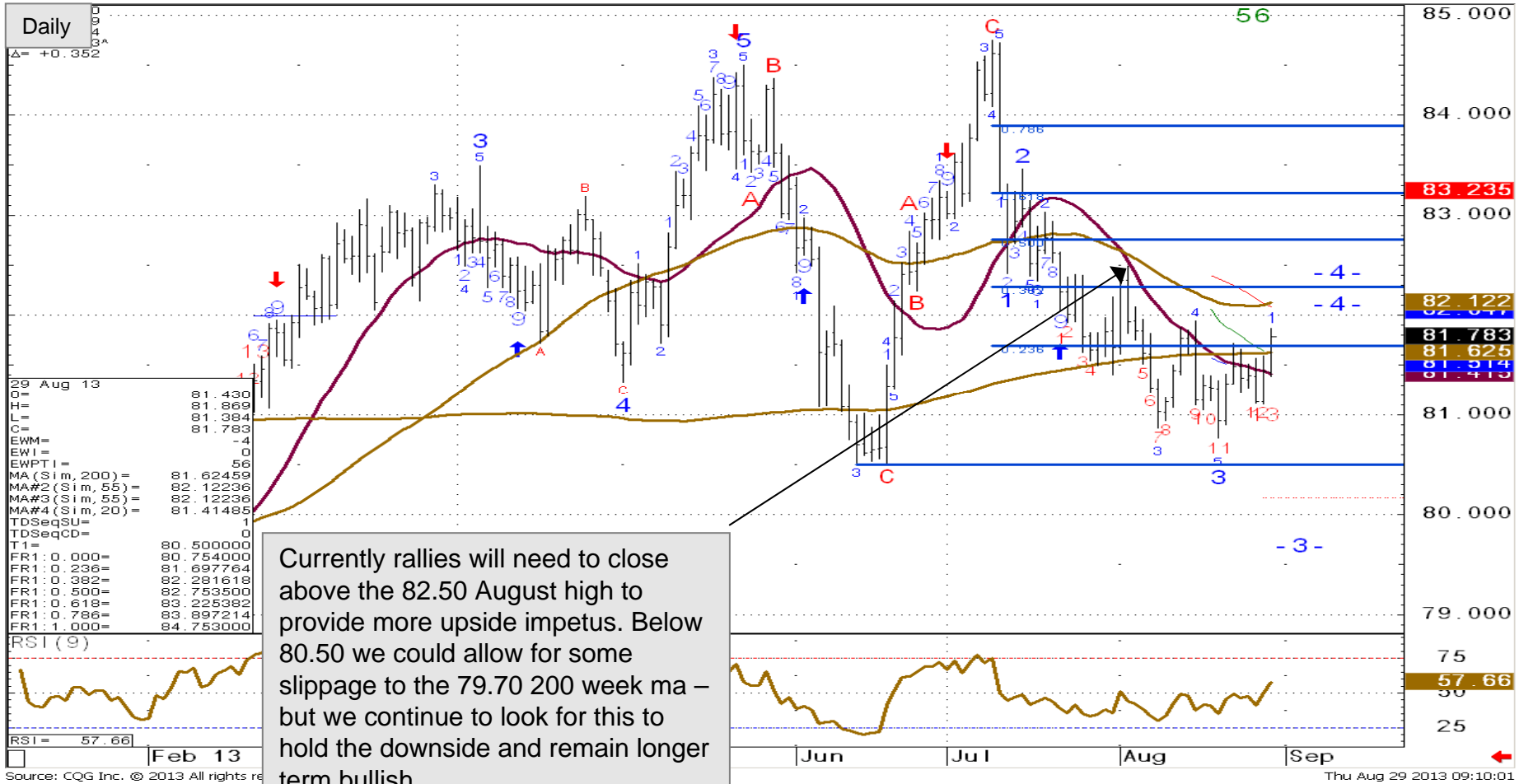
Currency ranking vs the US Dollar for the past 5 days



Source Bloomberg 09.08 AM

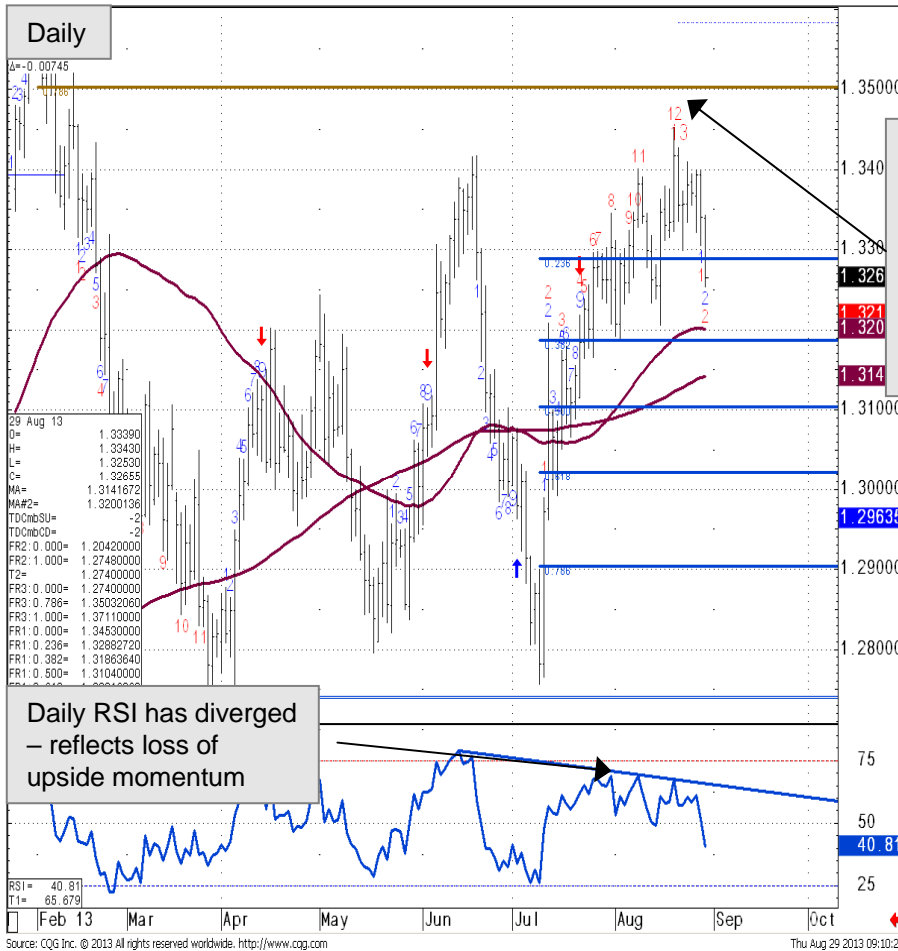
US Dollar Index - finding support ahead of the 80.50 June low

Intraday Elliot wave count suggests recovery to the 82.10 vicinity

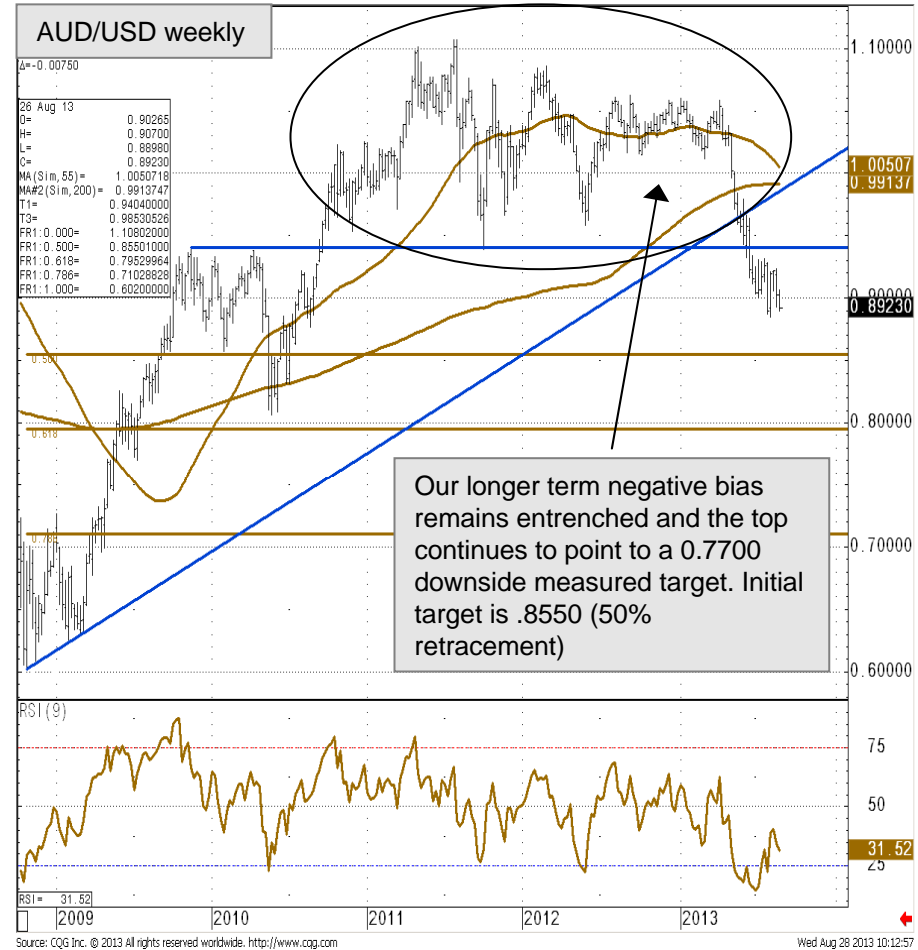


Currently rallies will need to close above the 82.50 August high to provide more upside impetus. Below 80.50 we could allow for some slippage to the 79.70 200 week ma – but we continue to look for this to hold the downside and remain longer term bullish.

EUR/USD - divergence of the daily RSI suggests loss of momentum and a slide back to the 1.3220/1.3186 region



AUD/USD needs to go back on the radar as it is approaching the .8848 August low.



JY crosses look vulnerable

EUR/JPY under pressure in converging range. Risks increasing for a break lower



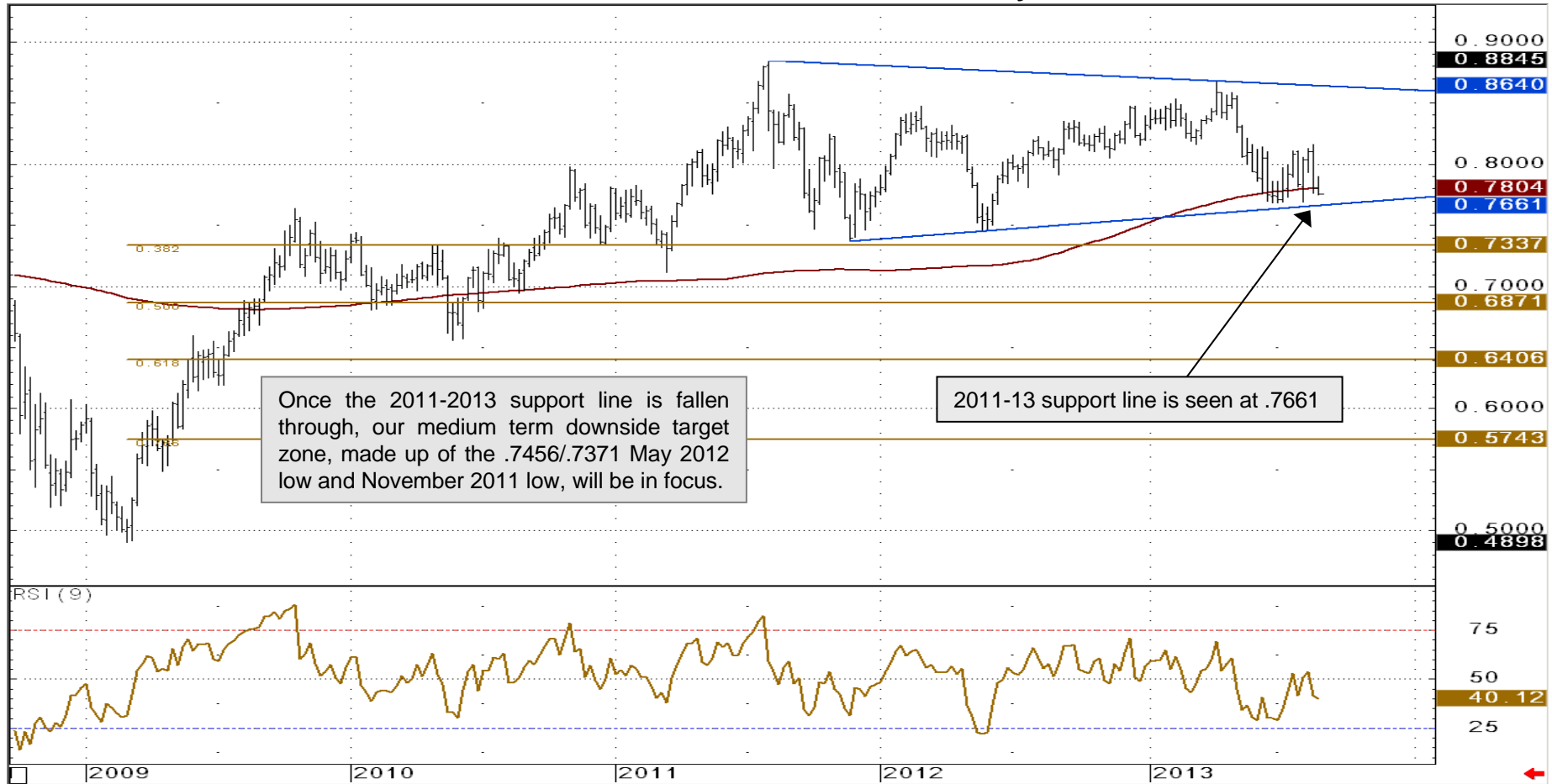
AUD/JPY is sitting on its 86.39 recent low - risk remains for losses to the 200 week ma at 84.21



NZD/USD - Weekly Chart

Drops towards the 2011-13 support line at .7661 which is expected to eventually give way

NZD/USD Weekly Chart



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NZD expected to under perform CAD

Potential bear flag developing which leaves the 2009-2013 uptrend exposed.



USD/ZAR - Weekly Chart

Still targets the 10.6956/10.7900 region

USD/ZAR Weekly Chart



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

USD/TRY - Daily Chart

Made a new all-time high at 2.0728 while en route to the 2.0922/2.1000 region

- › USD/TRY so far made a new all-time high at 2.0728.
- › The 100% Fibonacci extension of the April-to-July rise, projected higher from the July low, at 2.0922 is a potential upside target, together with the psychological 2.1000 level. Around this level the current advance may stall.
- › If not, the 161.8% Fibonacci extension at 2.2115 will be in focus.
- › **Support is seen around the 2.0000 mark** and then at the 1.9734 July high.
- › 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



USD/INR 1 Month NDF - Daily Chart

Made a new all-time high at 70.05, a rise above which will eye the 261.8% Fibonacci extension

- › This week the USD/INR 1 Month NDF made a new all-time high at 70.05, a rise above which will lead to the 261.8% Fibonacci extension at 75.1075 being in focus. Please see the weekly chart on the following page.
- › Were this level to be overcome, the next higher 261.8% Fibonacci extension at 77.52 will be on the map.
- › We will retain our short term bullish forecast while the NDF stays above its August 26 low at 63.90 and our **medium term bullish view while it remains above its July low at 59.06.**
- › Minor support above this level is seen at the 62.53 early August high, the 61.71 early July high and around the 55 day moving average at 61.21.
- › Further support comes in at the 60.80 late July low and the 60.28 mid-July high.

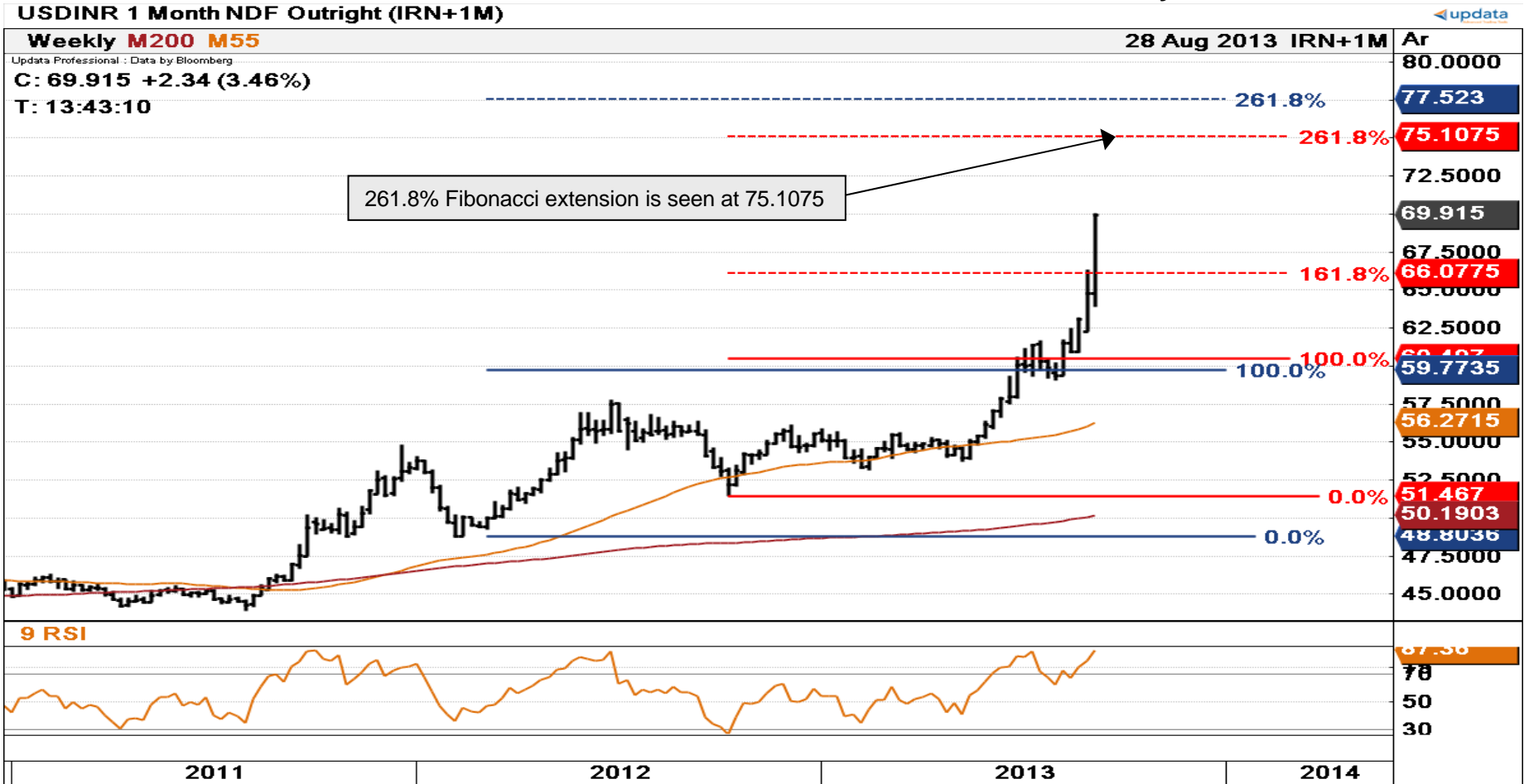
USD/INR 1 Month NDF Daily Chart



USD/INR 1 Month NDF - Weekly Chart

Made a new all-time high at 70.05, a rise above which will eye the 261.8% Fibonacci extension

USD/INR 1 Month NDF Weekly Chart

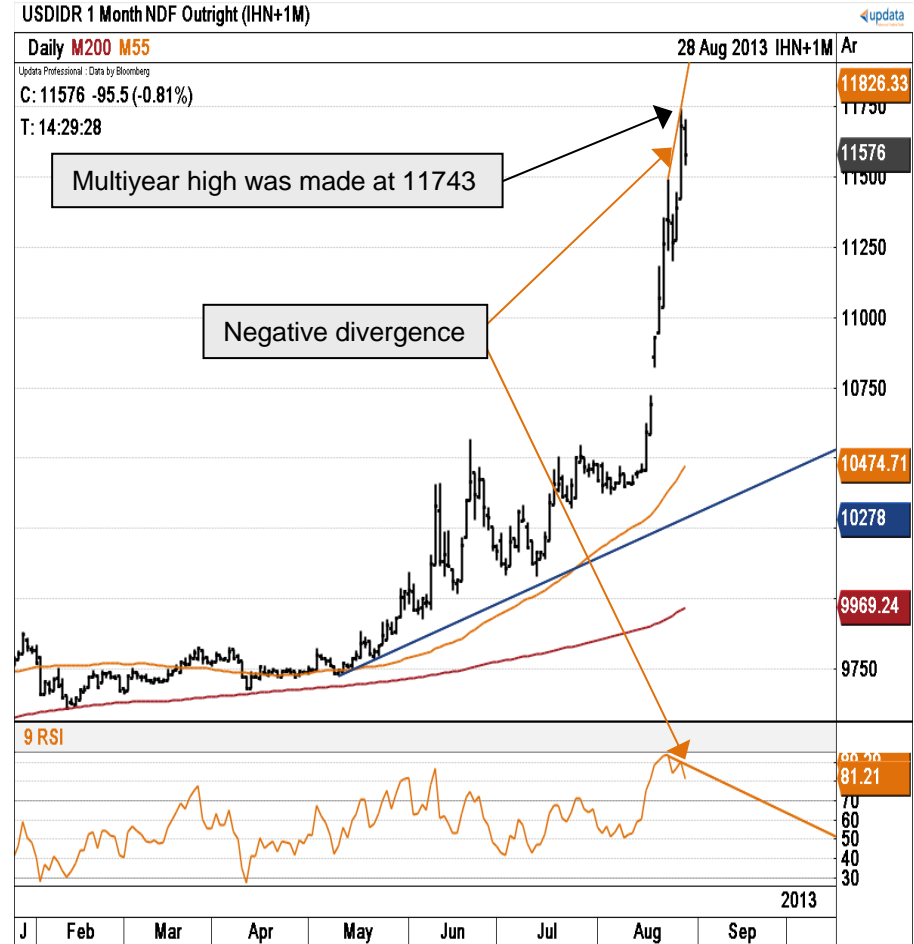


USD/IDR 1 Month NDF - Daily Chart

Continues to explode to the upside and made a 4 ¼ year high at 11743; could reach 11862

- › The USD/IDR 1 Month NDF has so far shot up to 11743, a rise above which will have the 78.6% Fibonacci retracement of the 2009-13 decline at 11862 in focus.
- › Please note the negative divergence on the daily RSI which has not confirmed this week's high. It may turn out to be an early warning signal of a corrective move lower taking place either this or next week. Such a move lower will only be confirmed by a fall through the August 23 low at 11202.
- › While the NDF remains above this low, recent upside pressure will be maintained even if upside momentum is likely to diminish in the days to come.
- › Should the 78.6% Fibonacci retracement at 11862 be exceeded, the April 2009 peak at 11975 will be back in focus. Good support is seen between the 10566 June and the 10548 July highs. Our long term bullish forecast will remain valid while the NDF trades above the 10080 July low.

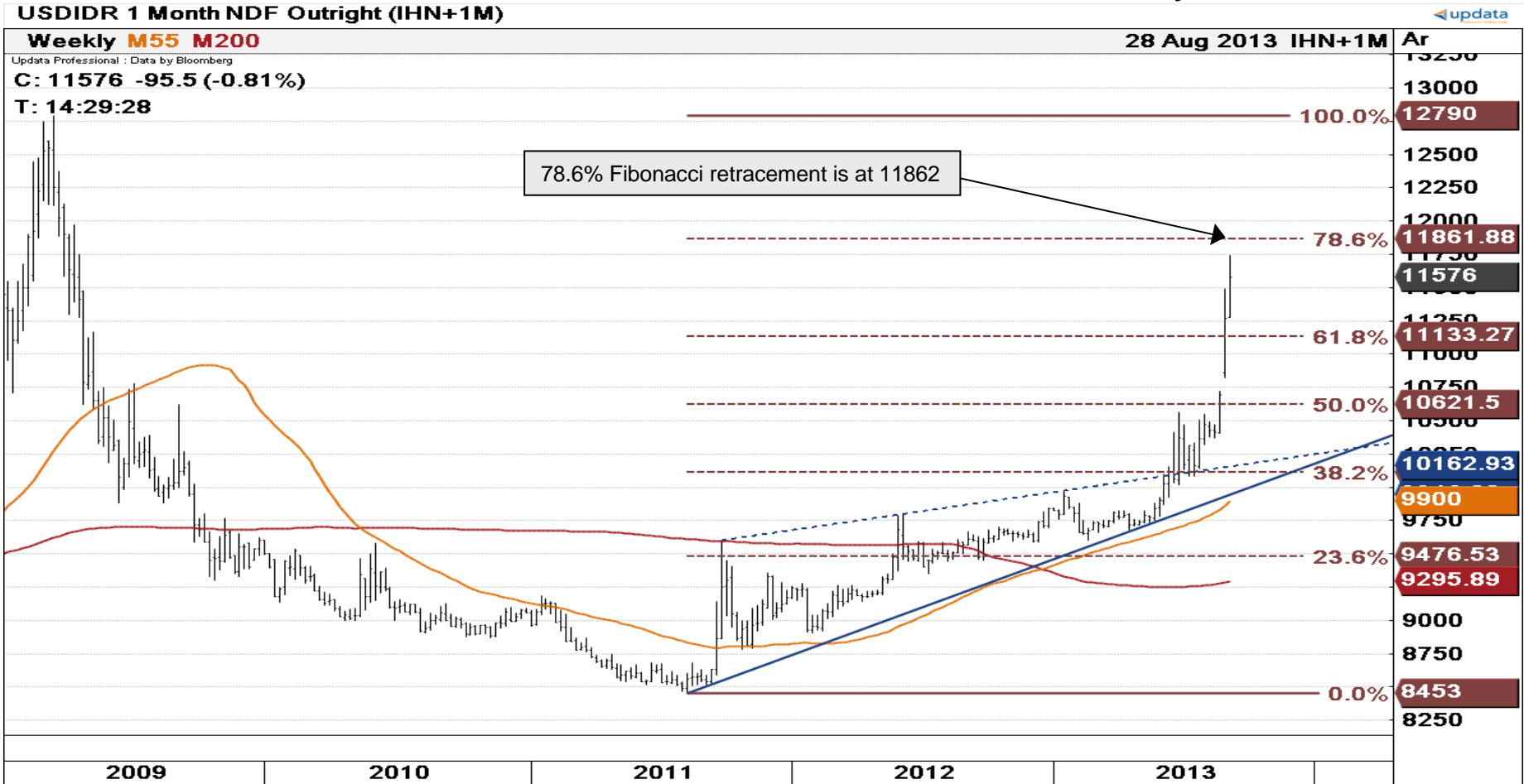
USD/IDR 1 Month NDF Daily Chart



USD/IDR 1 Month NDF - Weekly Chart

Made a 4 ¼ year high at 11743, a rise above which will target the 78.6% retracement at 11862

USD/IDR 1 Month NDF 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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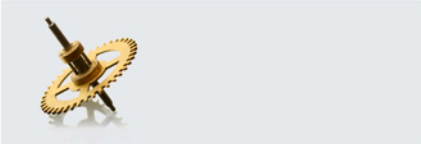


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