

Commodity Currencies Weekly Technicals

Wednesday, 06 November 2013

Technical Outlook

1 Technical Analysis

Banks
Commerzbank

Source: Euromoney FX Poll 2012



2 FICC Technical Analysis Research Team

Best FX Research and Strategy
Commerzbank

Source: The Technical Analyst Magazine Awards 2012



2 FICC Technical Analysis Research Team – Best FX Research and Strategy

Commerzbank

Source: Technical Analyst Magazine Awards 2013



2 Technical Analysis

Commerzbank

Source: Euromoney FX Survey 2013



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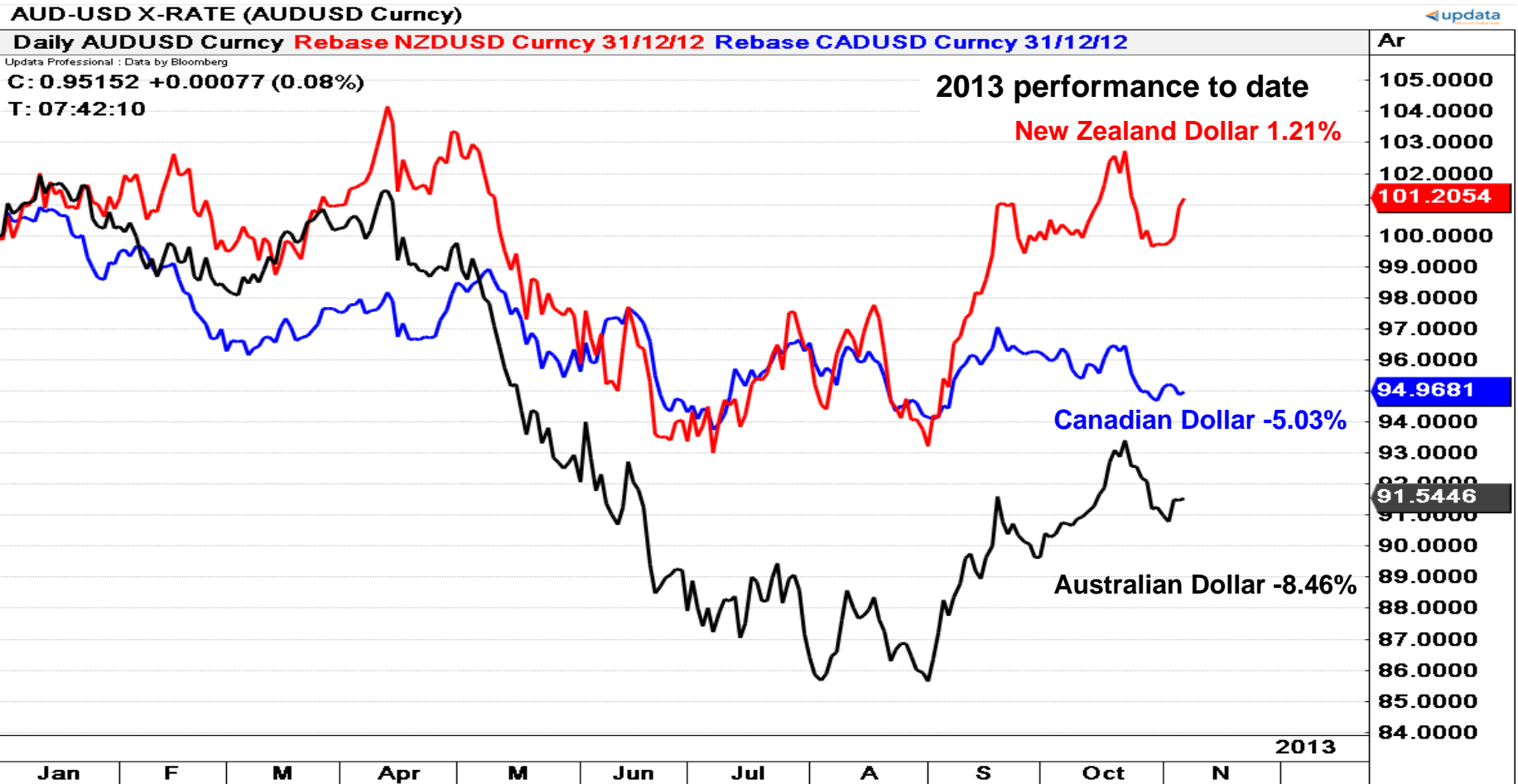
Technical Outlook

Commodity currencies are making back their recent losses vs. the US Dollar and the Euro

Market	Short term view (1–3 weeks)
NZD/USD:	Strongly bounces off the key .8232/.8164 support zone and eyes the .8437 September high.
USD/CAD:	Has been rejected by the 1.0486/1.0507 resistance zone but is again trying to overcome it.
EUR/AUD:	Drops back towards the October 2011 peak at 1.4089.
EUR/NZD:	Fall through the seven month support line at 1.6114 is bearish, targets the 1.5922 level and lower.
EUR/CAD:	A significant top was made at the 1.4443 October high; eyes the channel support line at 1.3954.

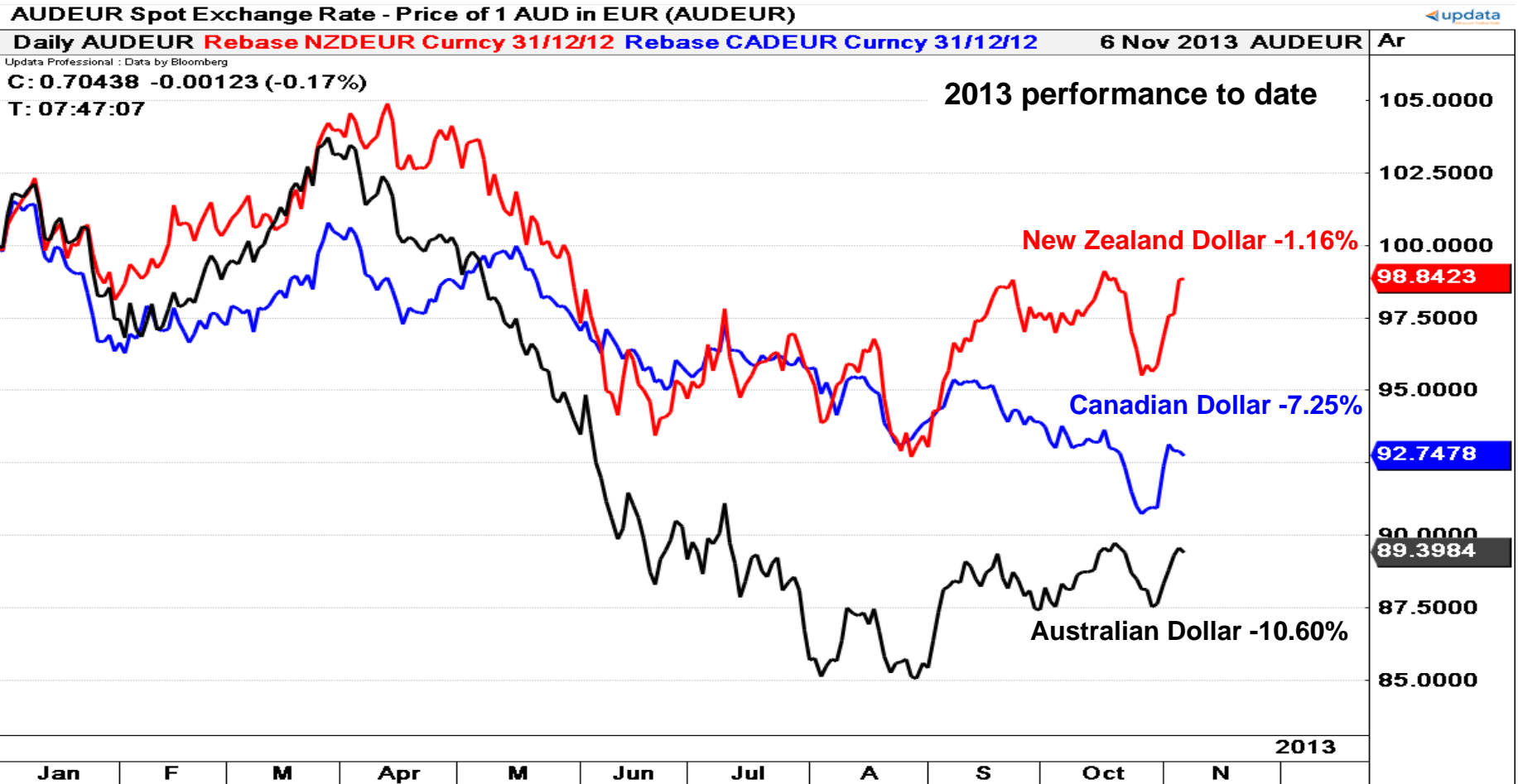
The Australian, New Zealand and Canadian Dollar vs. the US Dollar

Most commodity currencies are making back some of their recent losses versus the US Dollar



The Australian, New Zealand and Canadian Dollar vs. the Euro

Commodity currencies are appreciating again versus the Euro



AUD/USD - Daily Chart

Please see comments in this morning's Daily Market Technicals

AUD/USD Daily Chart



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NZD/USD - Daily Chart

Strongly bounces off the key .8232/.8164 support zone and eyes the .8437 September high

- › NZD/USD is strongly bouncing off the .8232/.8106 significant support zone where the October lows, 200 day moving average and the August peak can be seen.
- › The currency pair now targets the September peak at .8437 around which it is likely to struggle again, though.
- › In case of an unexpected rise above the October high at .8545 being seen, the .8588 late April high and the 2011-13 resistance line at .8621 could also be reached. This we do not expect to happen at the moment, though.
- › Only a drop through and daily close below the .8193 October low will point to a reversal being formed with the .7800/.7683 region then being back in the picture.
- › Further range trading between the .8500 mark and the .8200 level seems to be on the cards for the days ahead.

NZD/USD Daily Chart

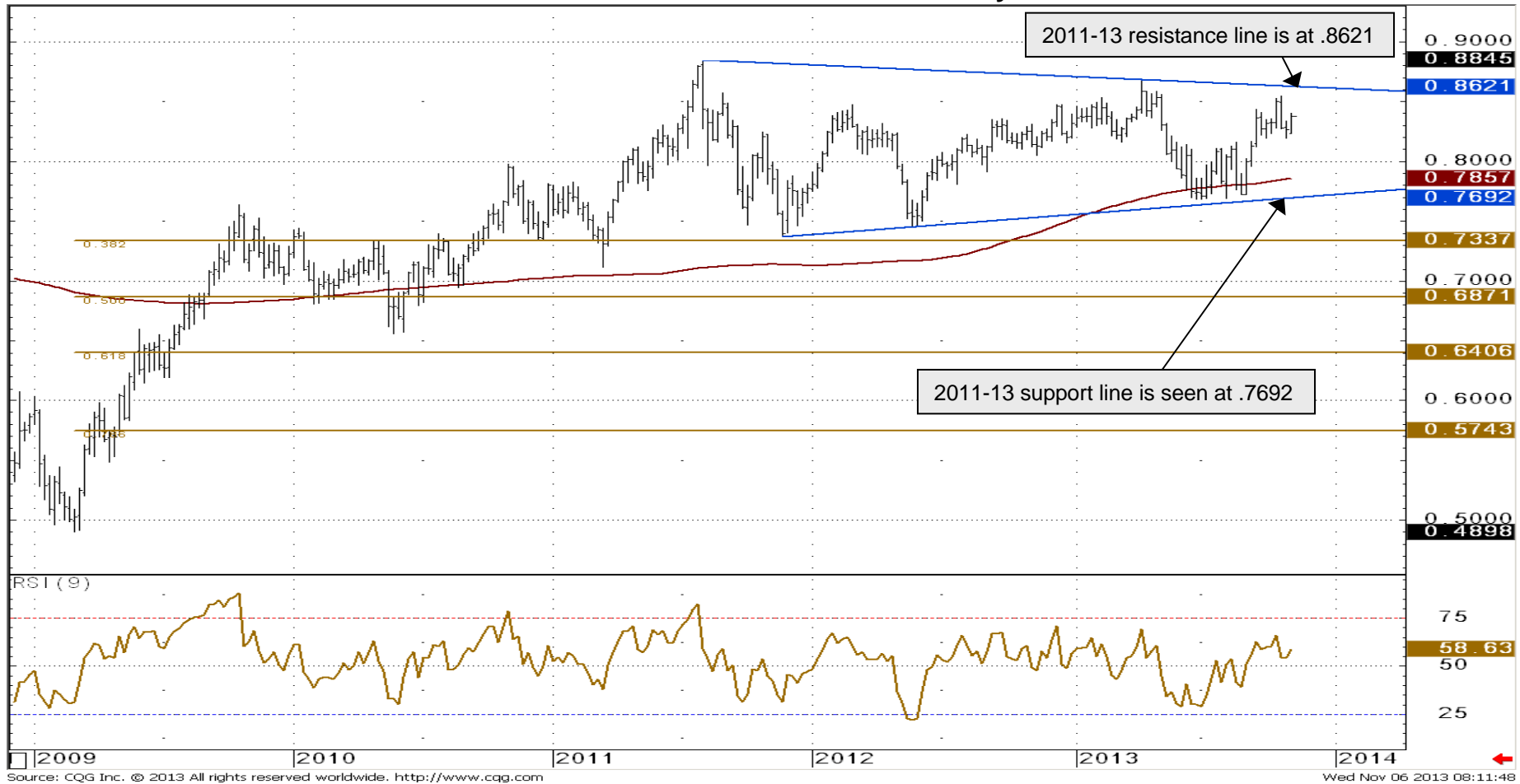


Support	Resistance	1-Week View	1-Month View
.8243/.8181	.8437&.8500	➔	➔
.8164&.8106	.8527/88		

NZD/USD - Weekly Chart

Seems to have failed slightly below the 2011-13 resistance line at .8621

NZD/USD Weekly Chart



USD/CAD - Daily Chart

Has been rejected by the 1.0486/1.0507 resistance zone but is again trying to overcome it

- › USD/CAD's recent rally has so far been capped by the 1.0486/1.0507 resistance zone which is made up of the 78.6% Fibonacci retracement of the July-to-September decline and the five month resistance line.
- › Once a daily chart close above 1.0507 has been made, the August peak at 1.0568 will be back in the picture.
- › From a longer term perspective we believe that the July-to-September decline represents an Elliott wave abc correction which should be followed by another up leg to the 1.0608/76 resistance area. This is made up of the July, 2011 and August 2010 highs and is likely to cap when reached.
- › Only unexpected failure at 1.0271, the October low, would void our bullish view and lead to the June low at 1.0185 and then the May low at 1.0015 being targeted instead.
- › Strong support is seen at 1.0289/1.0185.

USD/CAD Daily Chart

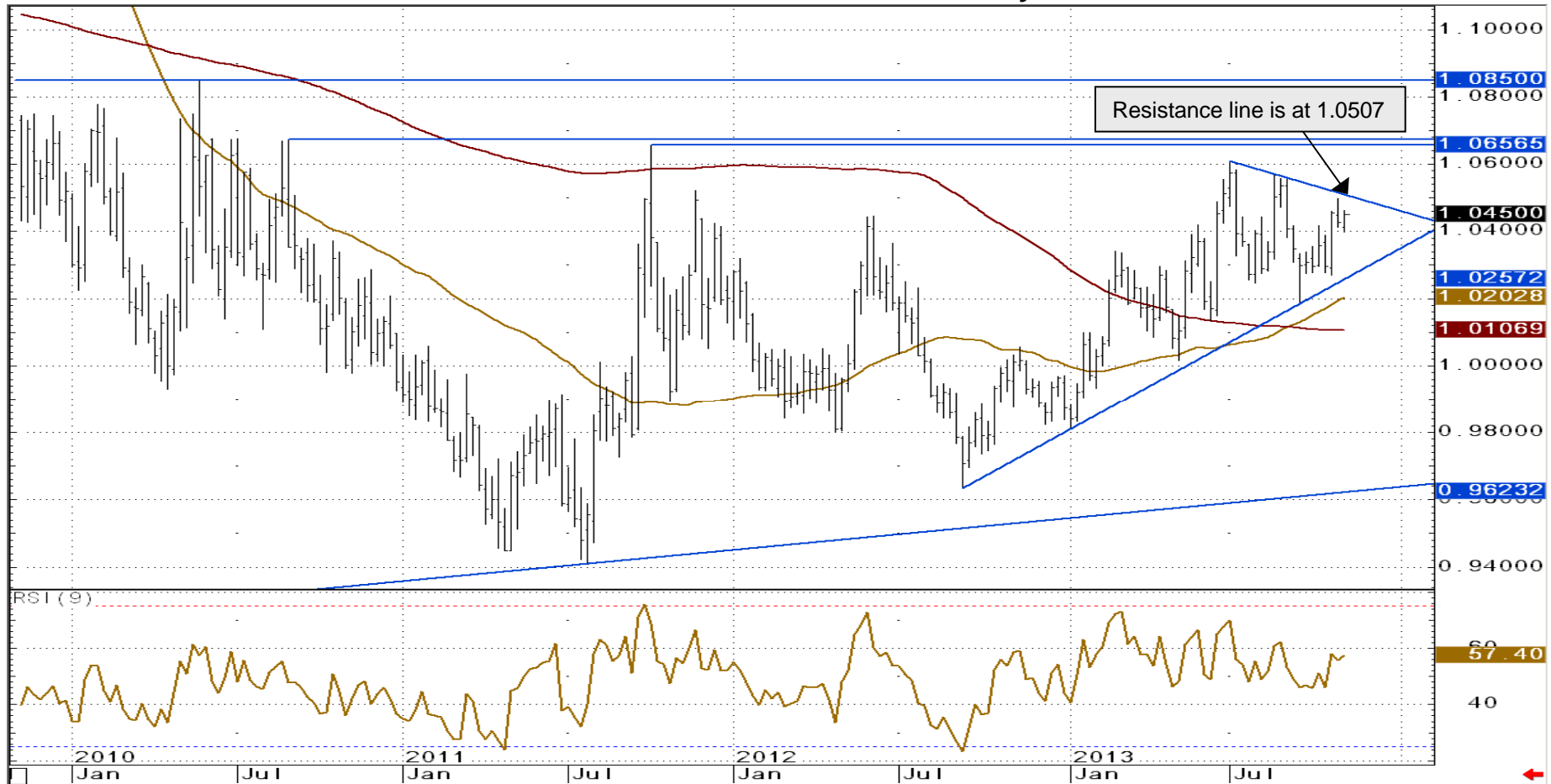


Support	Resistance	1-Week View	1-Month View
1.0399/76	1.0486/1.0507	➔	➔
1.0355/31	1.0558/68		

USD/CAD - Weekly Chart

Nears the resistance line at 1.0507 and still targets the 1.0608/76 region

USD/CAD Weekly Chart



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EUR/AUD - Daily Chart

Drops back towards the October 2011 peak at 1.4089

- › EUR/AUD once again failed in the 1.4500 region as expected and is fast approaching the minor 1.4125/05 support zone which consists of the October low and the three month support line.
- › This support is likely to eventually give way with the October 2011 peak at 1.4089 then being back in sight.
- › Below it remains the 1.3938/1.3864 support area (late June and July lows) which will be targeted once a fall through the 1.4089 level has taken place.
- › Resistance comes in between the 55 day moving average at 1.4408 and the late September high at 1.4562. We do not expect it to be revisited any time soon, though.
- › Either way we will retain our longer term bearish outlook while EUR/AUD stays below the 1.5034 August peak. Were it to be unexpectedly bettered, the May 2010 high at 1.5463 would be targeted instead. This is not on the cards.

EUR/AUD Daily Chart

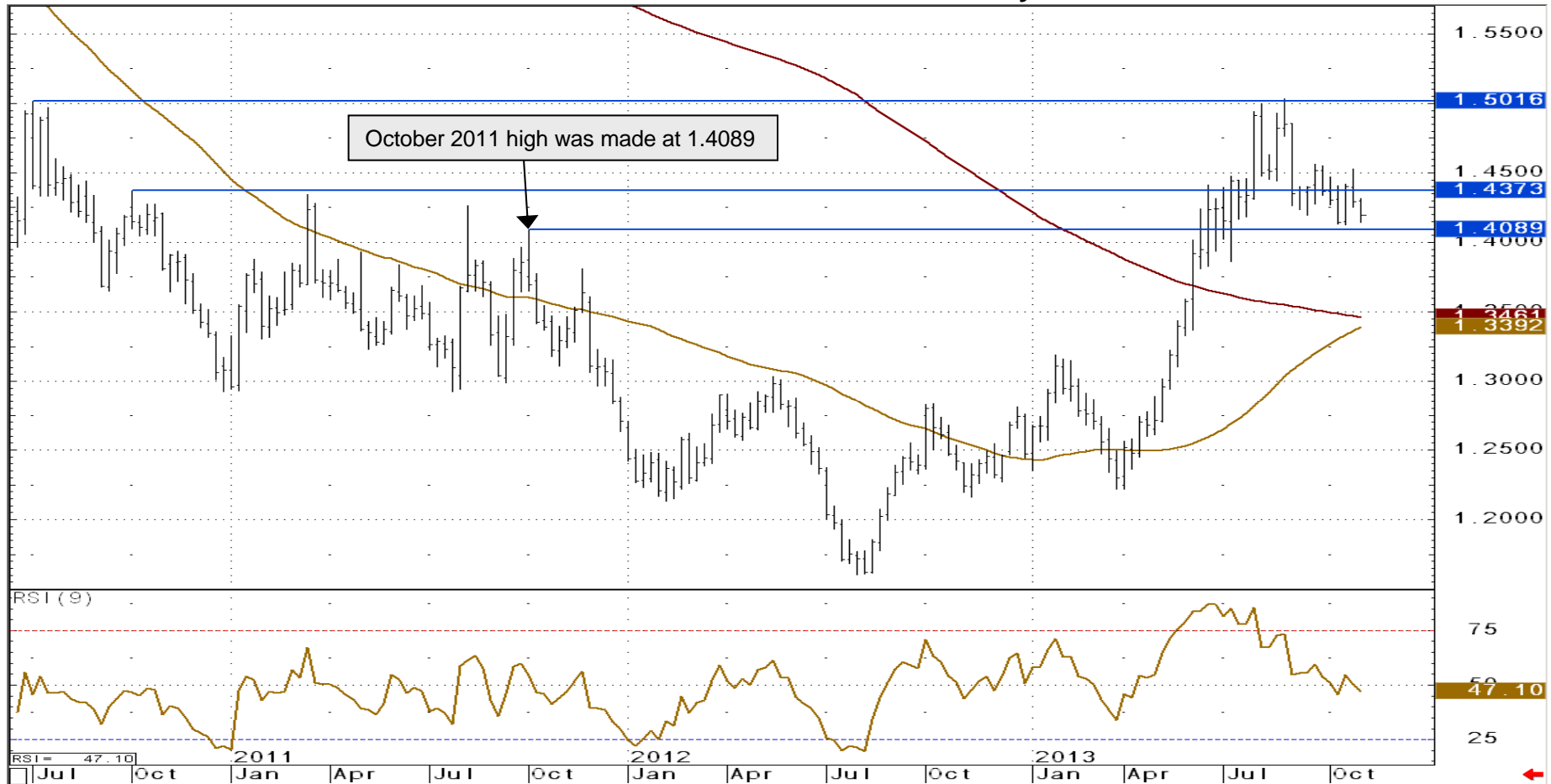


Support	Resistance	1-Week View	1-Month View
1.4125/05	1.4408/62	➔	➔
1.4089&1.4000	1.4531/62		

EUR/AUD - Weekly Chart

Drops back towards the October 2011 peak at 1.4089

EUR/AUD Weekly Chart



EUR/NZD - Daily Chart

Fall through the seven month support line at 1.6114 is bearish, targets the 1.5922 level and lower

- › EUR/NZD's late October swift rally took it all the way to 1.6727 before it just as rapidly dropped back towards the October low at 1.6019.
- › Once this level has been slipped through, the 61.8% Fibonacci retracement of the April-to-August rise at 1.5922 will be in focus, followed by the 1.5818 mid-May high and the 1.5702 May 21 low.
- › We will retain our medium term bearish outlook while EUR/NZD stays below the October peak at 1.6727.
- › Minor resistance below this level can be seen around the 200 day moving average at 1.6172 and, further up, around the 55 day moving average at 1.6452 and at the early October high at 1.6520. These levels are not expected to be reached once a fall and daily close below the October low at 1.6019 has occurred.

EUR/NZD Daily Chart

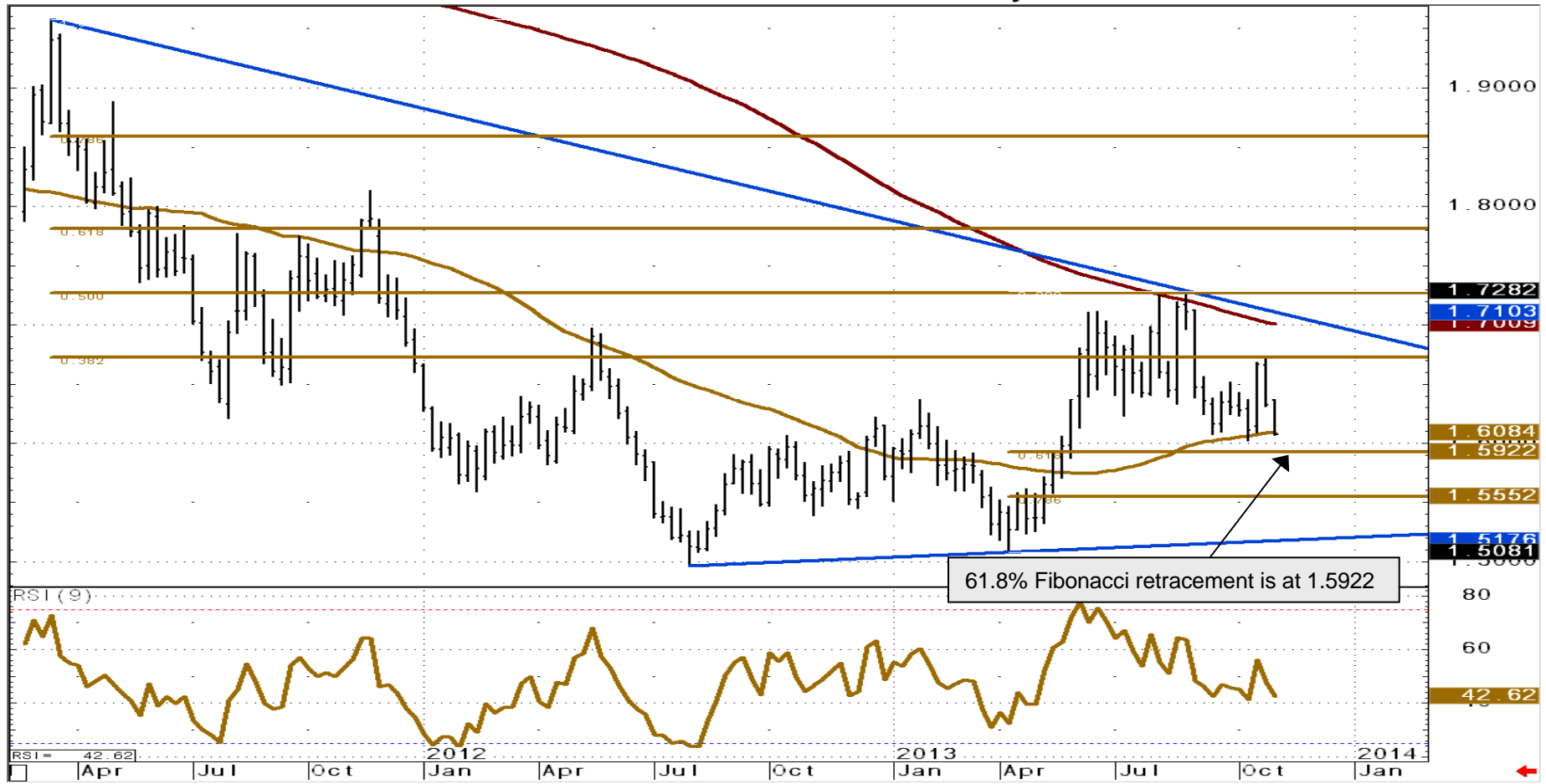


Support	Resistance	1-Week View	1-Month View
1.6019&1.5922	1.6172&1.6229	➔	➔
1.5818&1.5702	1.6452/1.6520		

EUR/NZD - Weekly Chart

Is expected to fall to the 61.8% Fibonacci retracement at 1.5922

EUR/NZD Weekly Chart



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EUR/CAD - Daily Chart

A significant top was made at the 1.4443 October high; eyes the channel support line at 1.3954

- › Last week we were right not to change our neutral EUR/CAD outlook to a bullish one despite it rising above the 1.4315 August 2011 high (see the monthly chart on page 15).
- › Since making the 1.4443 October peak, EUR/CAD has brutally dropped all the way back to the 55 day moving average at 1.4002.
- › This is likely to be slipped through in the weeks to come with the uptrend channel support line at 1.3954 and the 1.3923 early August high being back in the picture.
- › A daily close below this level would confirm a top formation and open the way for the 1.3818 June peak to be revisited.
- › Minor resistance comes in around the 1.4128 August high and around the 1.4200 level.
- › While EUR/CAD stays below 1.4443 we will stay neutral.

EUR/CAD Daily Chart

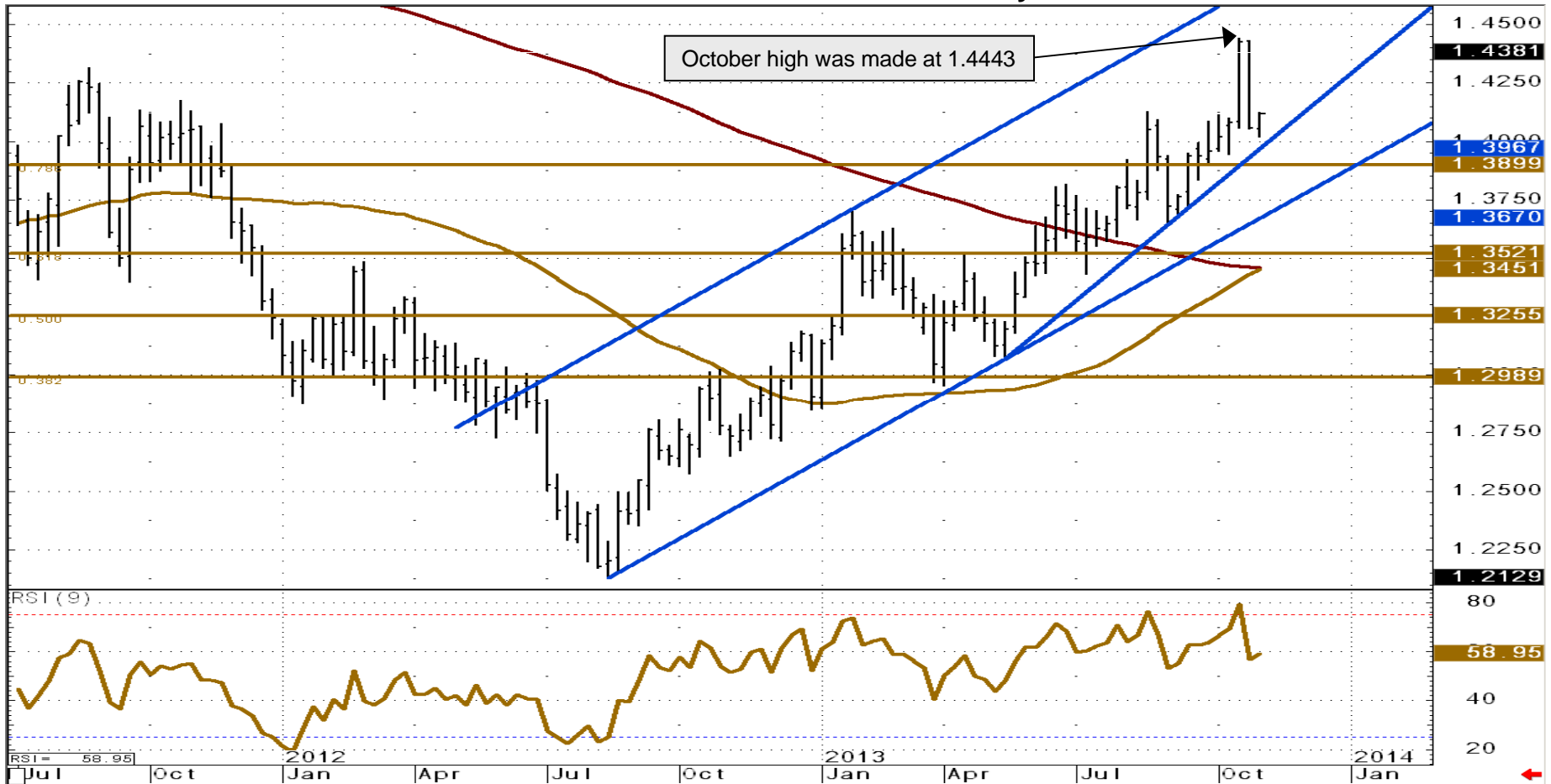


Support	Resistance	1-Week View	1-Month View
1.4002/1.3923	1.4315&1.4500	➔	➔
1.3834/18	1.4813&1.5000		

EUR/CAD - Weekly Chart

Another important top was made at the October 1.4443 peak

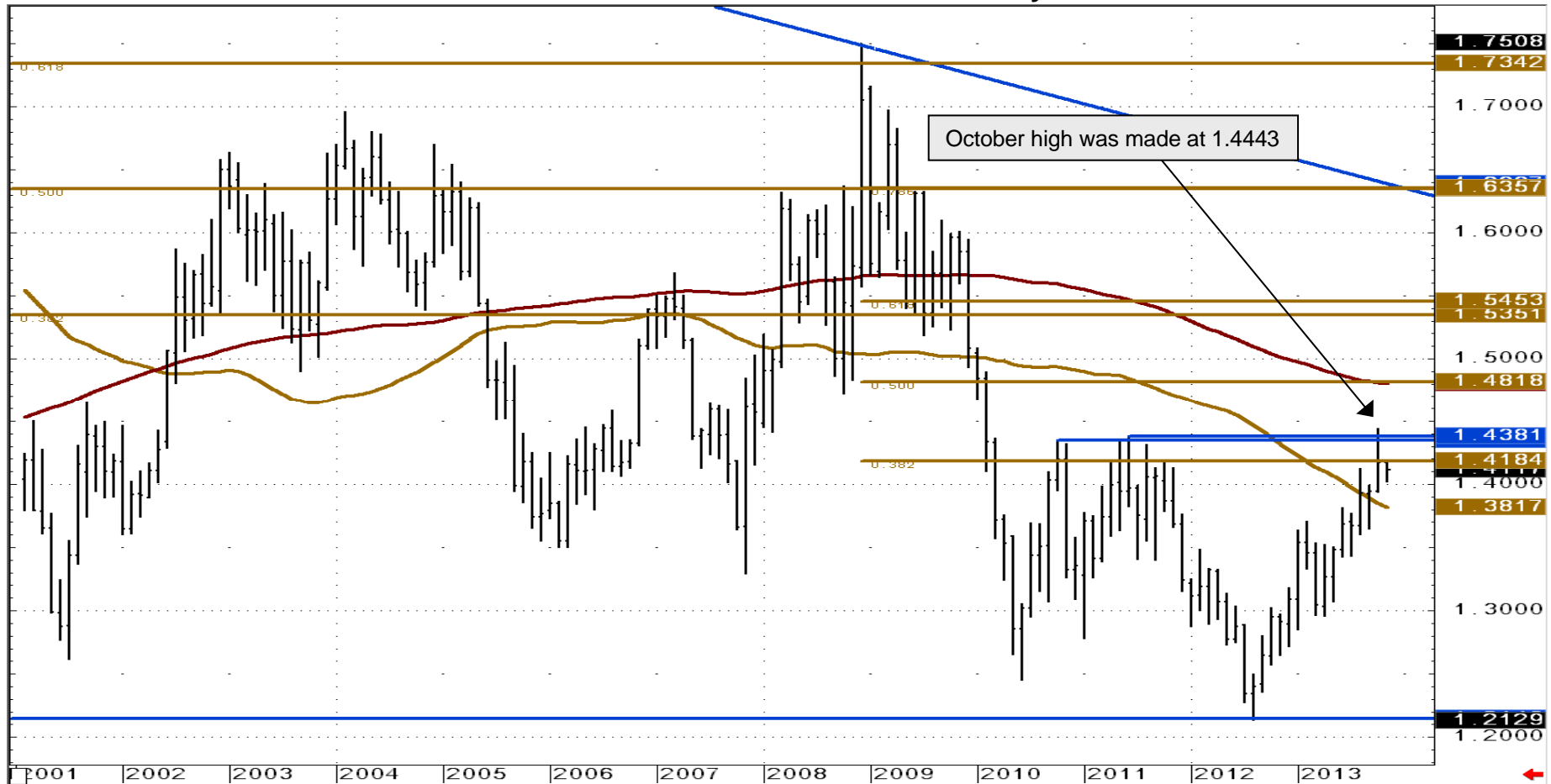
EUR/CAD Weekly Chart



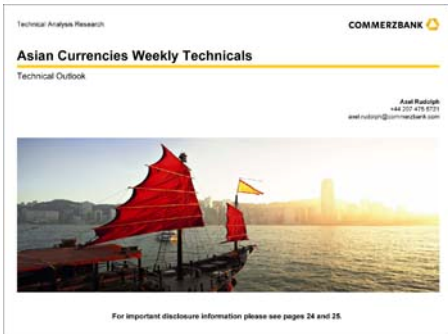
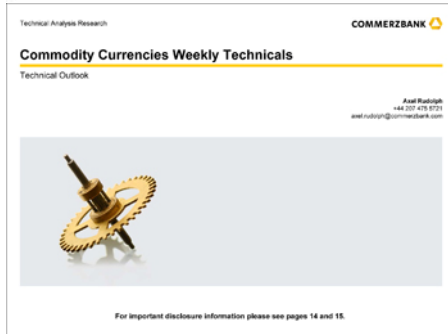
EUR/CAD - Weekly Chart

Another important top was made at the October 1.4443 peak which looks like a false breakout

EUR/CAD Monthly Chart



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- Wednesday:** Daily Market Technicals (FX), Commodity Weekly;
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