

FX Emerging Markets Weekly Technicals

Monday, 28 October 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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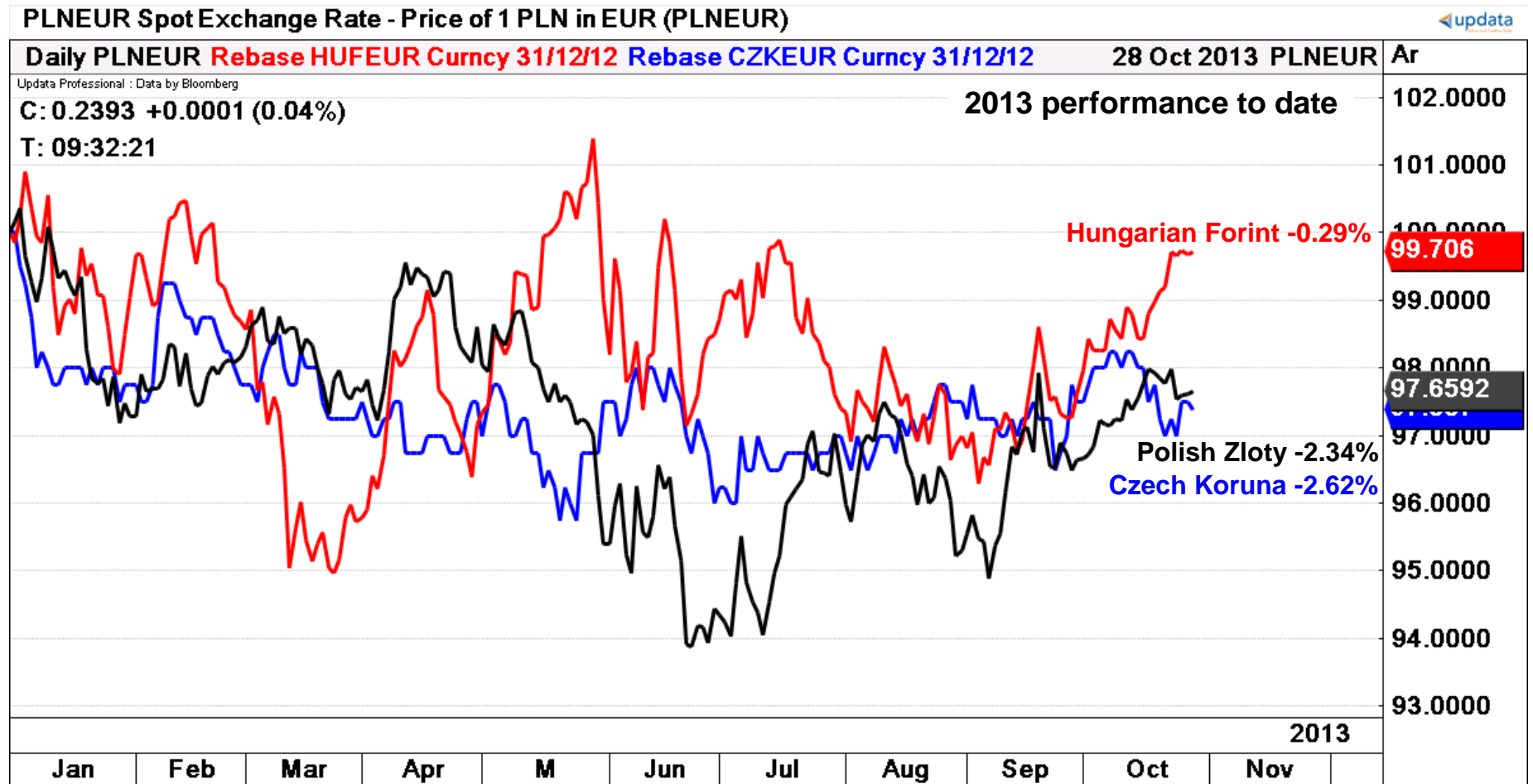
Technical Outlook

Emerging Market currencies are giving back some of their gains vs. the Euro and US Dollar

Market	Short term view (1-3 weeks)
EUR/PLN:	Still hovers above the 4.1443 September low which remains in focus.
EUR/HUF:	So far made a three month low at 291.82 while en route to the 291.08 July low.
EUR/CZK:	Oscillates around the 200 day moving average at 25.75 but could soon slide again.
EUR/BRL:	Flirts with the 55 day moving average at 3.0502 but may well rise a little further still.
USD/BRL:	Bounces off the 2.1419/2.1323 support zone but only shows weak upside momentum.
EUR/TRY:	A triangle breakout to the upside could soon be seen.
USD/TRY:	Bounces off the six month support line at 1.9705.
USD/MXN:	Our medium term bullish view will stay valid while above the 12.5835 September low.
USD/ZAR:	Probes key support at 9.7298/9.5473 which we still expect to hold.
Rouble Basket:	Slips towards the six month support line at 36.89 which should hold.

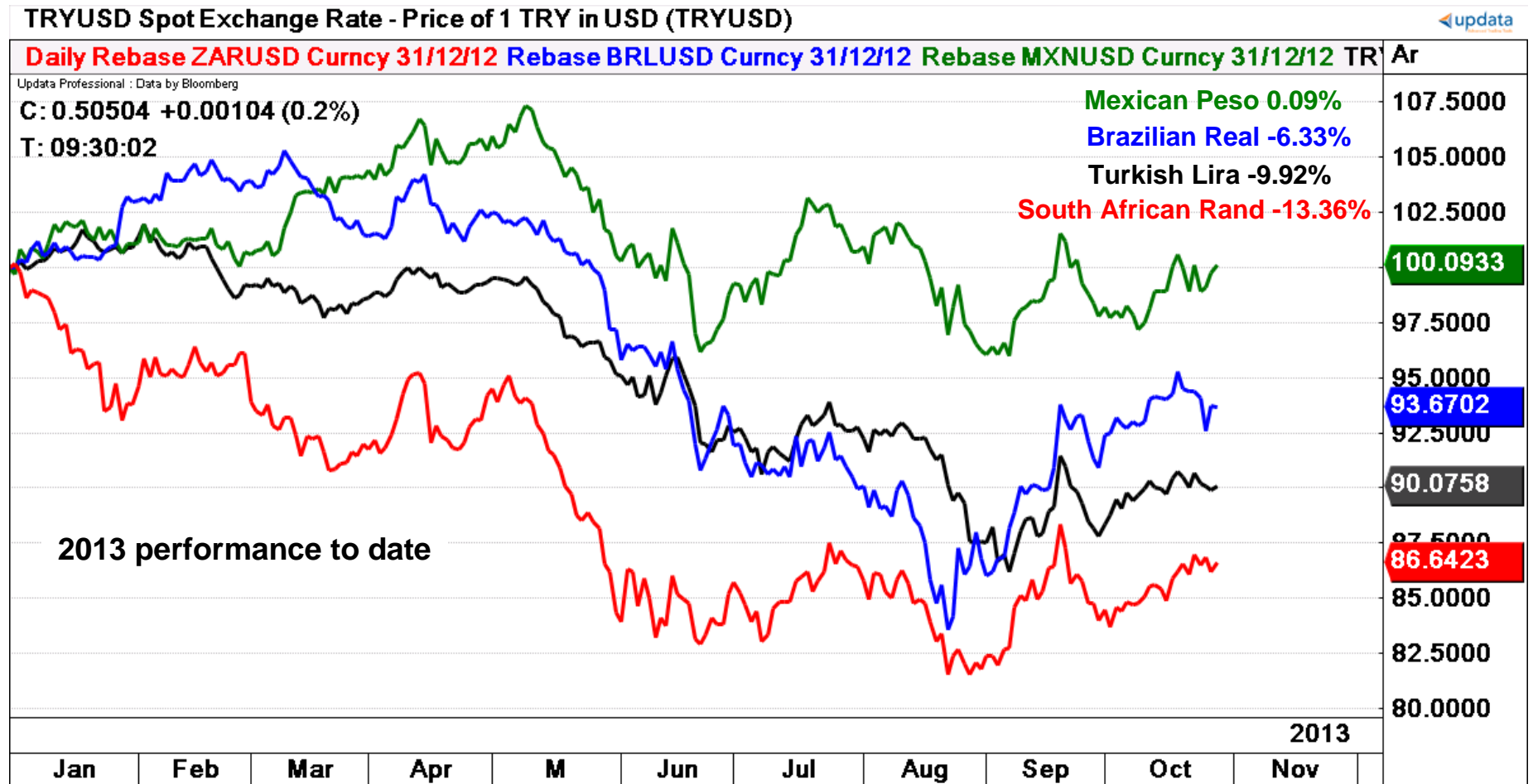
Polish Zloty, Hungarian Forint and Czech Koruna vs. Euro (rebased)

Only the Hungarian Forint continues to appreciate versus the Euro



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

EM currencies' appreciation versus the US Dollar is stalling



EUR/PLN - Daily Chart

Still hovers above the 4.1443 September low which remains in focus

- › EUR/PLN is still hovering above the 4.1443 September low but at the same time remains below the 200 day moving average at 4.2048 and thus continues to look weak. We also note the presence of the 2011-2013 uptrend at 4.1563.
- › Further range trading, mostly with a negative bias, should be seen into year end with the currency pair expected to stay below the 4.3098 September high.
- › As long as this is the case the odds favour a retest of the September low at 4.1443.
- › Failure there on a weekly basis will mean that a top has been formed with the 200 week moving average at 4.1193 then being in focus. It should be reached by the end of the first quarter of 2014.
- › Good resistance above the 200 day moving average at 4.2048 can be seen between the 55 day moving average at 4.2185 and the late September high at 4.2403.

Support	Resistance	1-Week View	1-Month View
4.1601&4.1563	4.2048&4.2144	➔	➔
4.1443&4.1187	4.2185&4.2403		

EUR/PLN Daily Chart



EUR/PLN - Weekly Chart

Is sliding and a weekly close below the 4.1443 September low would be medium term bearish

EUR/PLN Weekly Chart



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Mon Oct 28 2013 08:59:35

EUR/HUF - Daily Chart

So far made a three month low at 291.82 while en route to the 291.08 July low

- › Last week EUR/HUF made a three month low at 291.82 while en route to the July low at 291.08.
- › Any near term rally is indicated to terminate in the 294.51/53 region, made up of the 38.2% Fibonacci retracement of the May-to-August advance and the September low.
- › Further resistance comes in at 296.40/297.76. This is where the 200- and 55-day moving averages and the two month resistance line meet.
- › Below 291.08 sits the 289.62 mid-June trough and further down the May low at 285.62 is to be found.
- › We will retain our short term bearish view while EUR/HUF stays below the early October high at 297.64.

Support	Resistance	1-Week View	1-Month View
291.82&291.08	294.51/53	➔	➔
289.62&285.62	296.40/297.76		

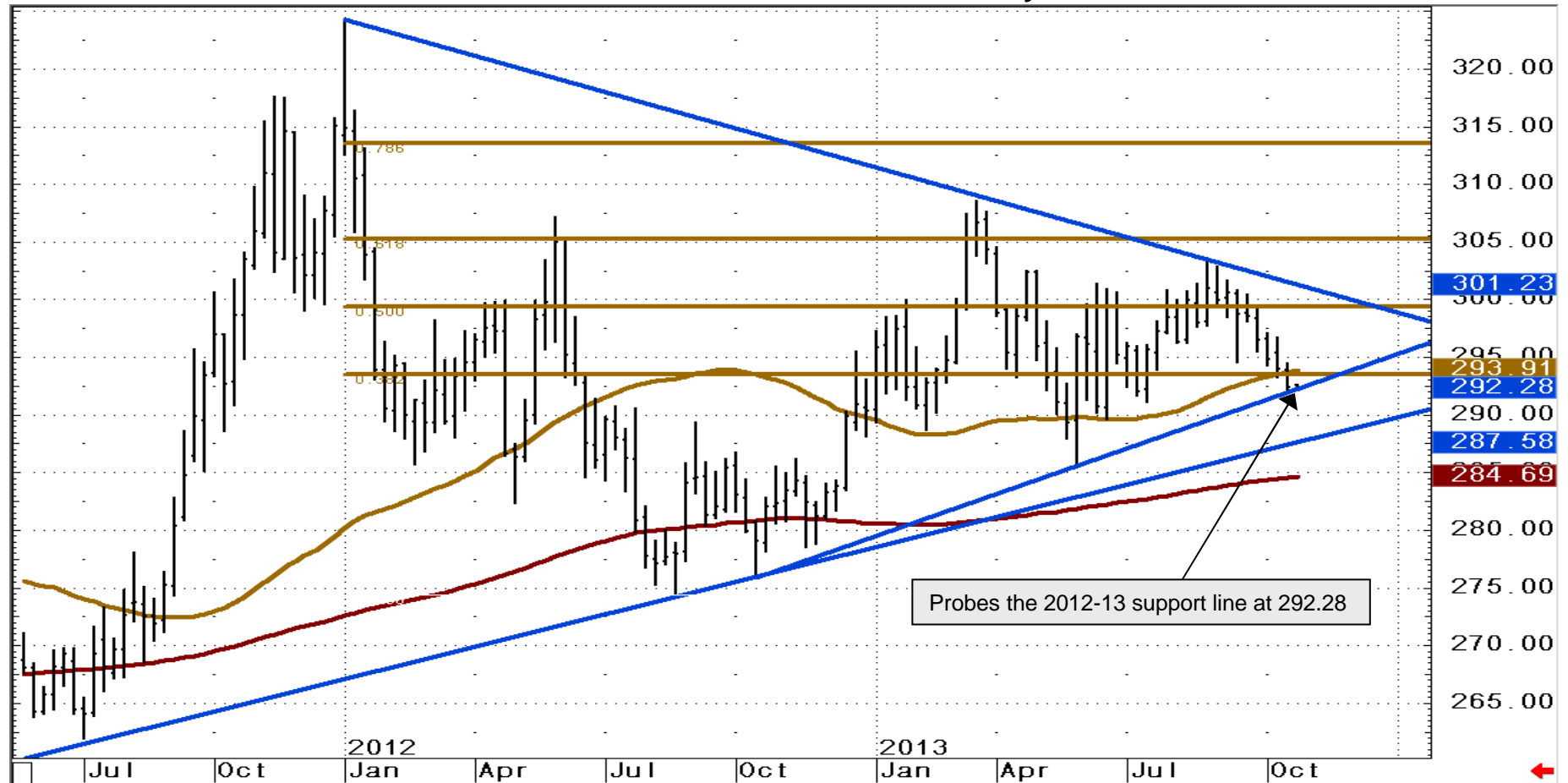
EUR/HUF Daily Chart



EUR/HUF - Weekly Chart

Probes the 2012-13 support line at 292.28

EUR/HUF Weekly Chart



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Mon Oct 28 2013 09:06:09

EUR/CZK - Daily Chart

Oscillates around the 200 day moving average at 25.75 but could soon slide again

- › In early October EUR/CZK retested key support at 25.475/46 but then strongly bounced off it and rose back to 25.845, neutralising our short term view.
- › We believe that the currency pair will lose upside momentum below the four month resistance line at 25.93. Provided that it caps, the August low at 25.61 and then the 25.475/46 support area will be back in focus. It is made up of the June low and the 38.2% Fibonacci retracement of the 2012-13 advance.
- › Failure at the 25.475/46 support zone and at the next lower 25.38 March low will make us medium term bearish and lead to the February low at 25.18 and the 200 week moving average at 25.15 being back on the map. Further down lies the December 2012 low at 25.05.
- › We will retain our overall bearish view while EUR/CZK trades below the 25.99 September high.

Support	Resistance	1-Week View	1-Month View
25.70&25.61	25.865&25.93	➔	➔
24.475&25.38	25.99&26.04		

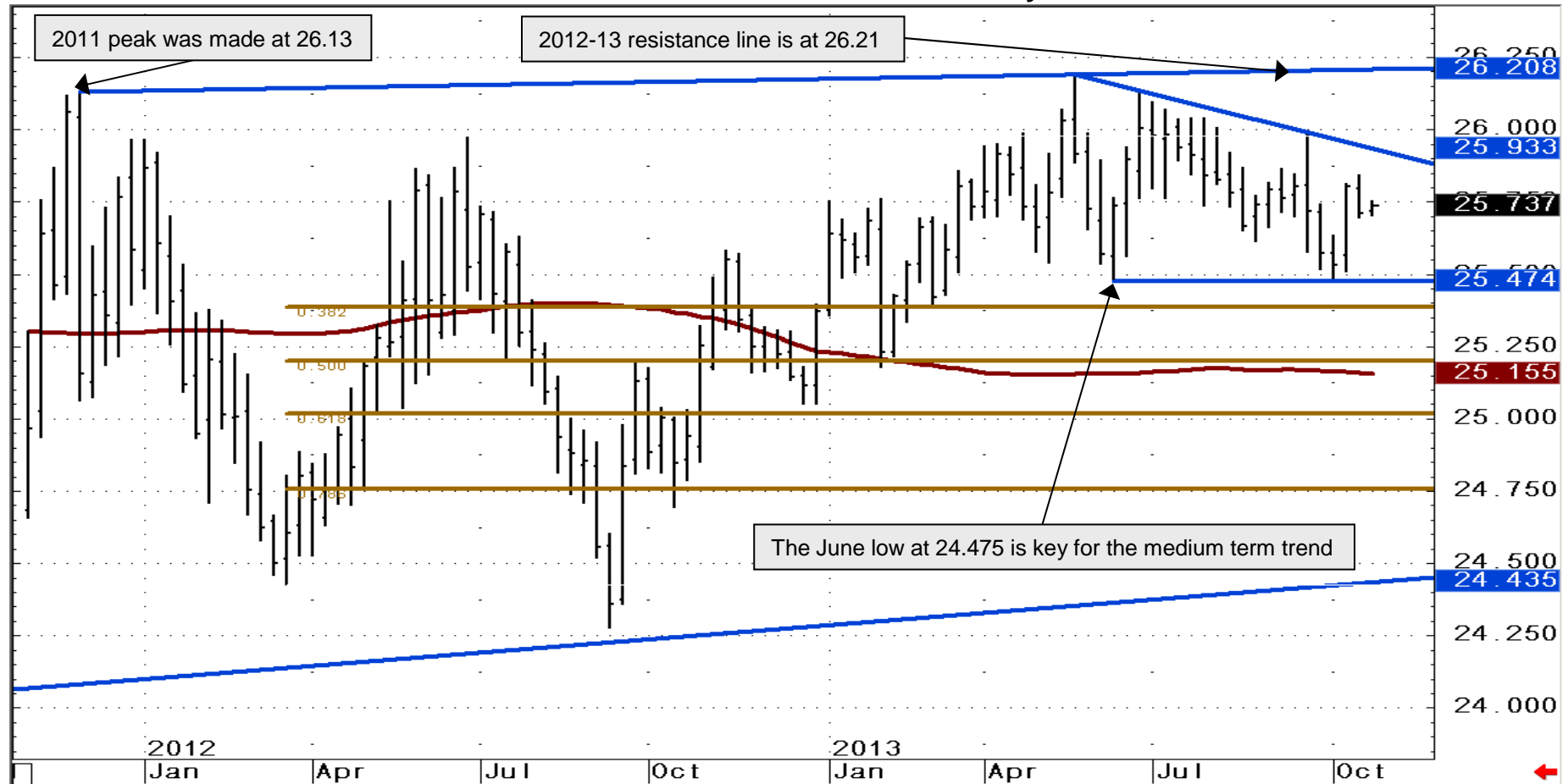
EUR/CZK Daily Chart



EUR/CZK - Weekly Chart

Is keeling over and a weekly close below the 25.475 June low would be medium term bearish

EUR/CZK Weekly Chart



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Mon Oct 28 2013 09:13:43

EUR/BRL - Daily Chart

Flirts with the 55 day moving average at 3.0502 but may well rise a little further still

- › EUR/BRL made a three month low right at the 50% retracement of the March-to-August advance at 2.9018 and then strongly bounced off it. We view this as an intermediate low.
- › Last week the 55 day moving average at 3.0502 was hit. This has held the initial test and dips back from here should find support around 2.9731 early October low.
- › Above the 3.0502 level lies the late September high at 3.0677. Should it be overcome, the 50% retracement at 3.0922 and the 3.1013 August 8 high will be back in the picture. Another potential upside target is the 61.8% Fibonacci retracement at 3.1368.
- › Should the current October low at 2.9033 unexpectedly give way, though, the 2.8787 July low will be targeted.
- › Below it meanders the 200 day moving average at 2.8211.

Support	Resistance	1-Week View	1-Month View
2.9731/2.9479	3.0476/3.0677	➔	➔
2.9033/18	3.0920/3.1362		

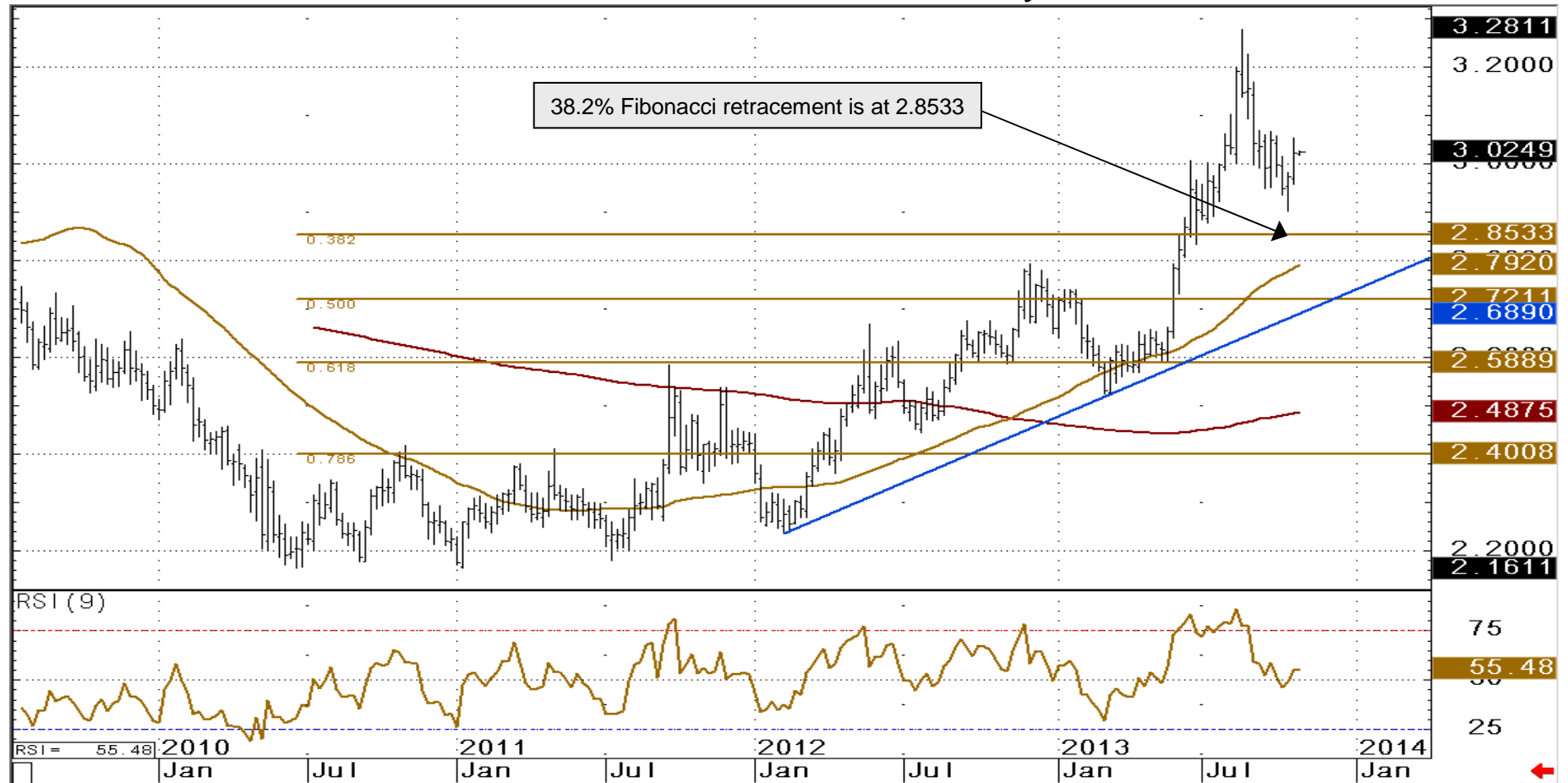
EUR/BRL Daily Chart



EUR/BRL - Weekly Chart

Is expected to continue to oscillate around the psychological 3.0000 mark

EUR/BRL Weekly Chart



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Mon Oct 28 2013 09:17:55

USD/BRL - Daily Chart

Bounces off the 2.1419/2.1323 support zone but only shows weak upside momentum

- › USD/BRL has come very close to the 2.1419/2.1323 support area but is still bouncing off it. It contains the 2012 peak, 61.8% Fibonacci retracement of the 2013 rise and the 200 day moving average.
- › Resistance in the 2.1981/2.2214 zone, made up of the July lows, 38.2% Fibonacci retracement and the September 20 high, is currently being tested but may soon be overcome.
- › Above it is the 2.2586/2.2802 zone which contains the 38.2% Fibonacci retracement, June, mid-July and late September highs as well as the 55 day moving average.
- › Only, for now unexpected, failure at 2.1323 will make us medium term bearish but as long as the 200 day moving average underpins and positive divergence is being seen with the daily RSI, we will keep a neutral outlook.
- › A drop through 2.1323 would push the 2.0925 June low back into the picture.

Support	Resistance	1-Week View	1-Month View
2.1419/2.1323	2.1981/2.2090	➔	➔
2.1105&2.0925	2.2214&2.2636		

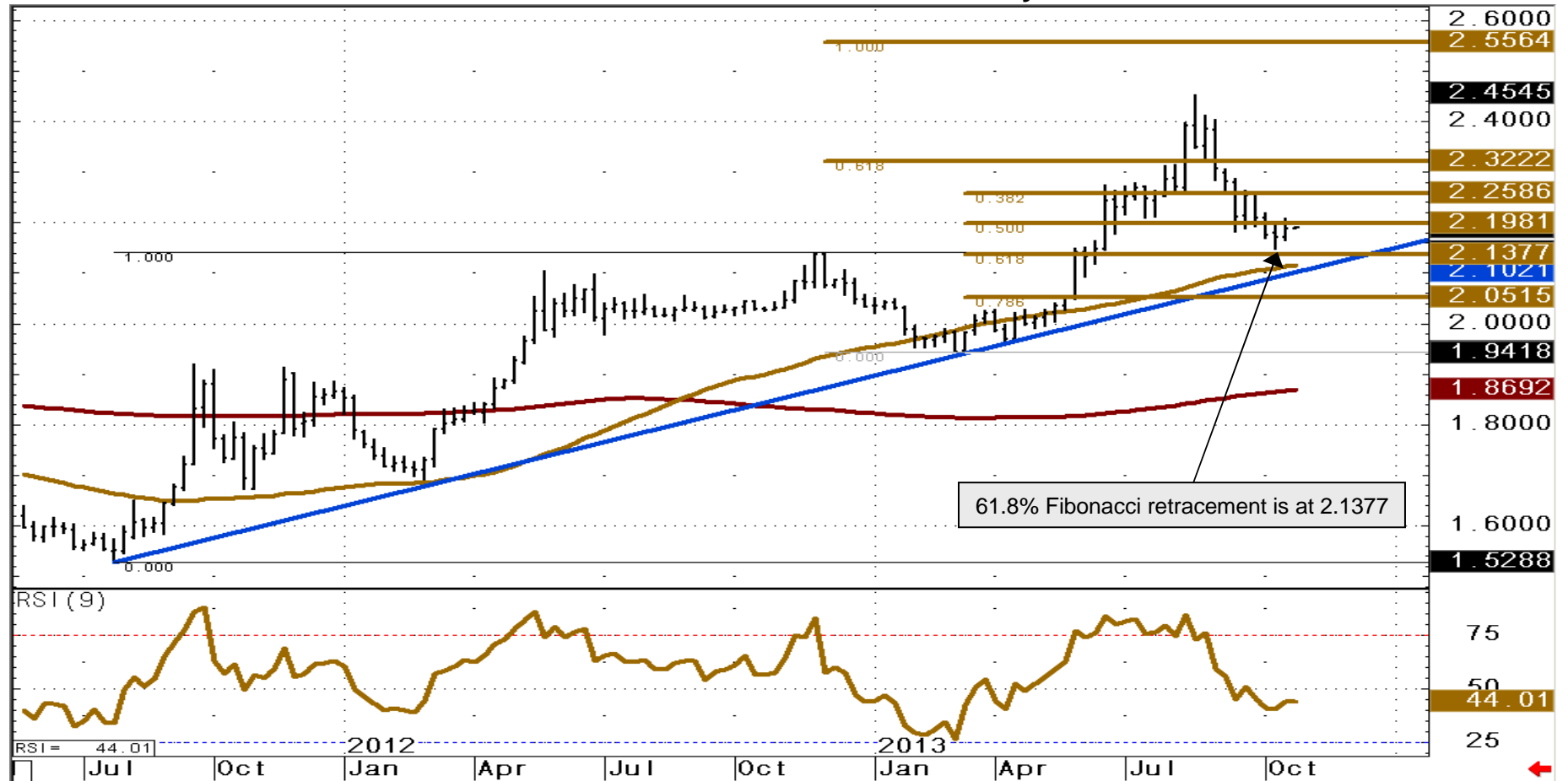
USD/BRL Daily Chart



USD/BRL - Weekly Chart

Stabilises above the 2.1419/2.1286 support zone

USD/BRL Weekly Chart



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Mon Oct 28 2013 09:23:41

EUR/TRY - Daily Chart

A triangle breakout to the upside could soon be seen

- › Last week EUR/TRY headed back up towards the triangle resistance line at 2.7531.
- › We still expect the August and September highs at 2.7609/91 to be revisited.
- › Further up is the 2011-13 resistance line at 2.7837, a rise above which will put the 2.8000 region back on the map. Above it lurks an hourly 0.001 x 3 Point & Figure vertical target at 2.81.
- › We will retain our medium term bullish forecast while EUR/TRY stays above its 2.6156 September low.
- › Support above this level is seen at 2.6854/2.6561, made up of the six month support line, 55 day moving average and the mid-September low.

Support	Resistance	1-Week View	1-Month View
2.6854/2.6561	2.7472/2.7531	➔	➔
2.6156&2.5859	2.7609/2.7804		

EUR/TRY Daily Chart



EUR/TRY - Weekly Chart

Is heading back up to key resistance at 2.7691/2.7837

EUR/TRY Weekly Chart



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Mon Oct 28 2013 08:43:23

USD/TRY - Daily Chart

Bounces off the six month support line at 1.9705

- › USD/TRY continues to bounce off the six month support line at 1.9705 and nears the 55 day moving average at 1.9954 and the psychological 2.0000 mark which may cap.
- › Above it is the 61.8% Fibonacci extension at 2.0185.
- › As long as the currency pair stays above the 1.9330 September low, we will retain our medium term bullish view. Unexpected failure there would push the 200 day moving average at 1.8842 back to the fore, though.
- › The August and September highs at 2.0728/2.0865 will remain in focus as long as UST/TRY stays above the current October low at 1.9607.
- › If the September high at 2.0865 were to be bettered, the 100% Fibonacci extension at 2.0922 and the psychological 2.1000 region will be in focus and then perhaps another 100% Fibonacci extension on the monthly chart at 2.2678.

Support	Resistance	1-Week View	1-Month View
1.9705/1.9607	1.9954/2.0065	➔	➔
1.9330&1.9144	2.0117/2.0236		

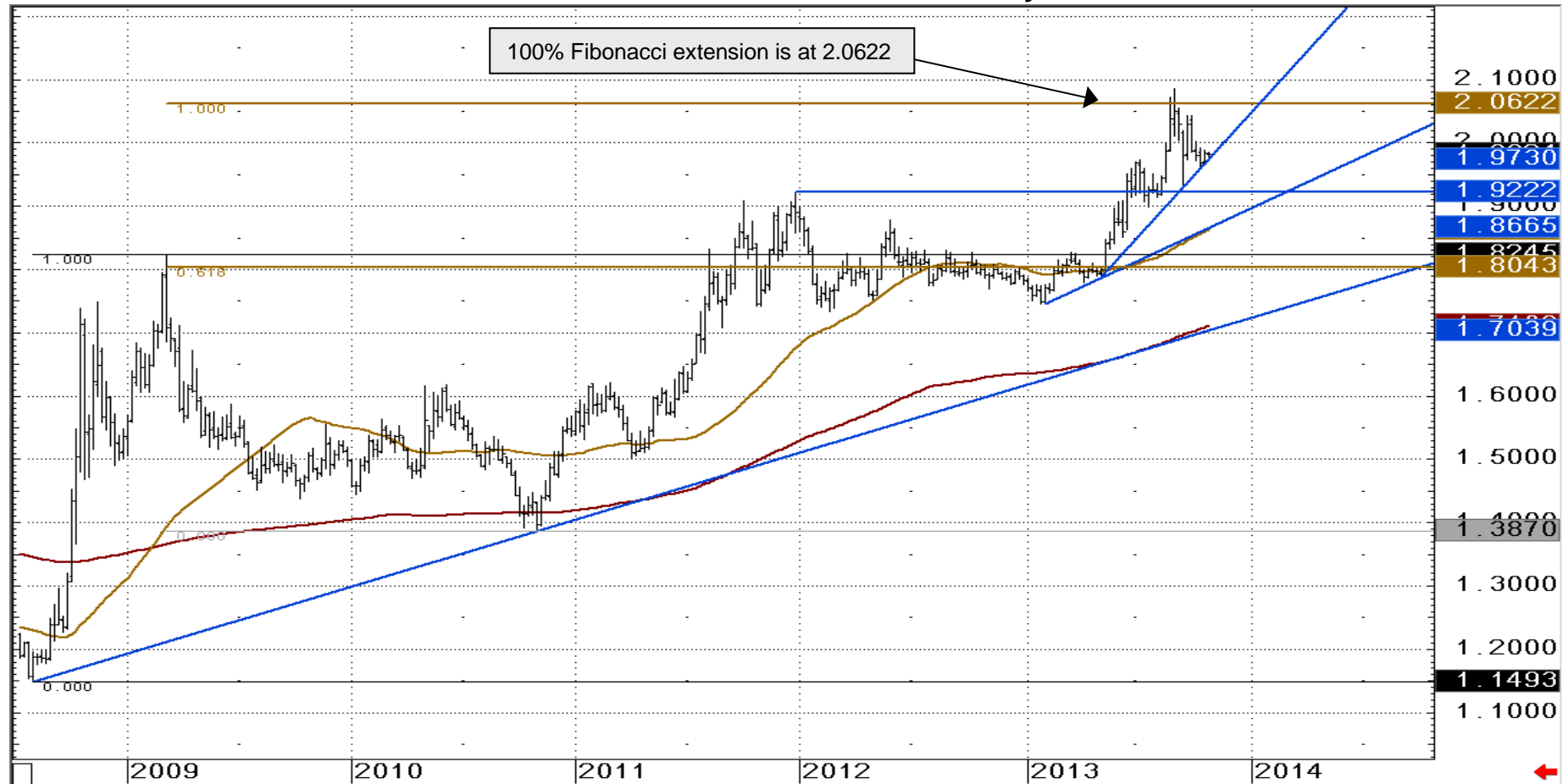
USD/TRY Daily Chart



USD/TRY - Weekly Chart

Is heading back up towards the psychological 2.0000 level

USD/TRY Weekly Chart



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Mon Oct 28 2013 08:46:16

USD/MXN - Daily Chart

Our medium term bullish view will stay valid while above the 12.5835 September low

- › USD/MXN bounced off the six month support line at 12.7670 and so far hit the 55 day moving average at 13.0404 before coming off it again.
- › If it and last week's high at 13.0478 were to be bettered, the two month resistance line at 13.1956 will be back in the picture. Around it the current advance may well stall.
- › Good resistance above the resistance line can be seen around the 13.3081 early October high.
- › Our medium term bullish forecast will remain valid as long as USD/MXN stays above the 12.5835 September low.
- › Should this unexpectedly not be the case and the 12.5502 mid-August low also be taken out, the July trough at 12.4315 would be targeted instead. This we do not believe to be likely, though. Above 12.5835 are the support line at 12.7670 and the 200 day moving average at 12.7045.

Support	Resistance	1-Week View	1-Month View
12.767/12.705	13.0404/.0478	➔	➔
12.583/12.550	13.195&13.308		

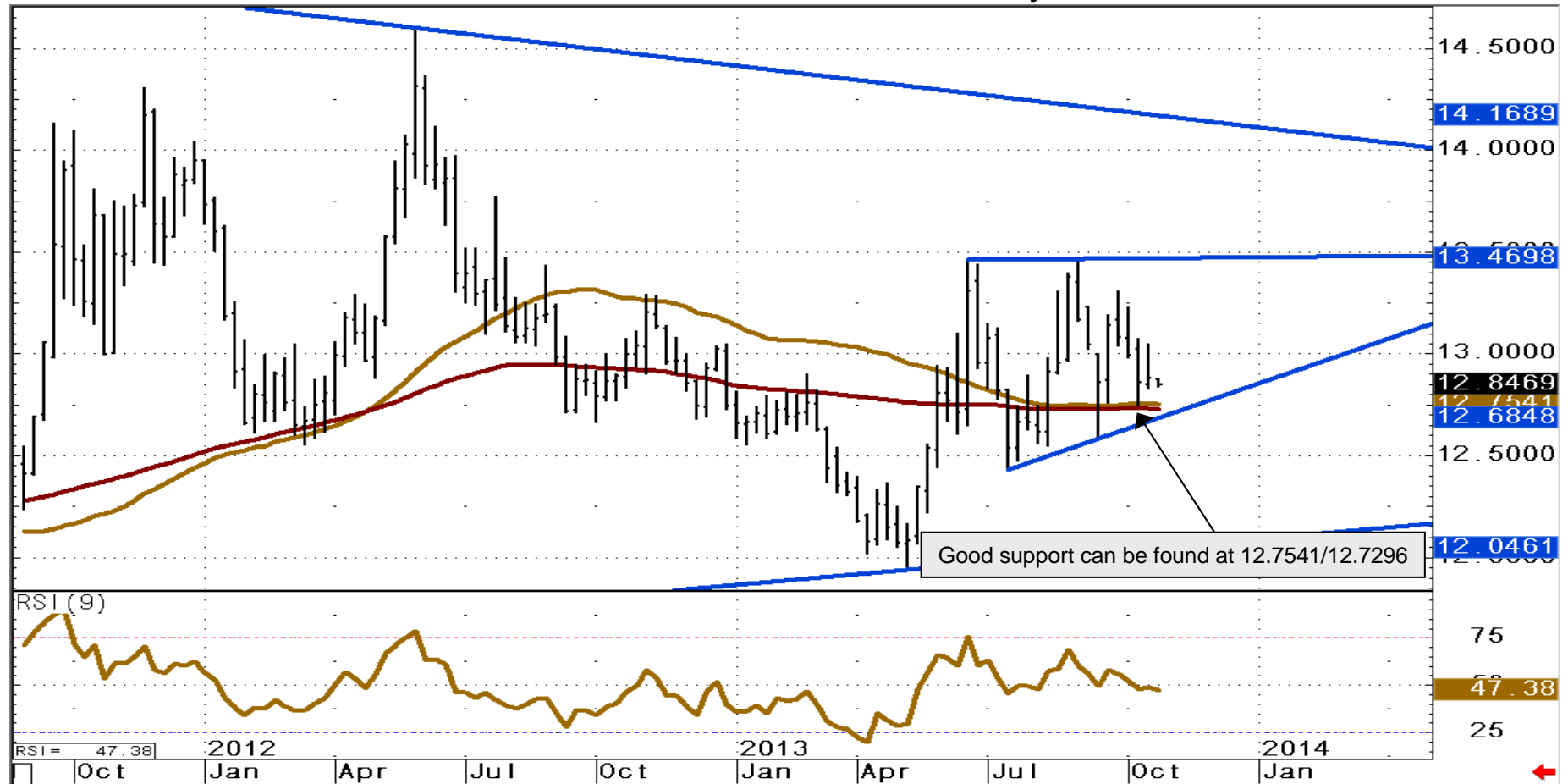
USD/MXN Daily Chart



USD/MXN - Weekly Chart

Remains above the 12.7541/12.7296 support area

USD/MXN Weekly Chart



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Mon Oct 28 2013 08:48:29

USD/ZAR - Daily Chart

Probes key support at 9.7298/9.5473 which we still expect to hold

- › USD/ZAR's recent sell-off has taken it back to the major 9.7298/9.5473 support zone which we expect to hold. It is where several lows since June were made and where the 2013 support line and the 200 day moving average can also be seen.
- › In view of last week's weakness we have neutralised our short term forecast.
- › We will, however, keep our medium term bullish forecasts while the currency pair continues to trade above its September low at 9.5473.
- › Only unexpected failure at 9.5473 would revert our forecast to bearish with the 9.3673 March high then being back in the picture.
- › Resistance is seen at 10.0090/10.0265, made up of the 55 day moving average and the 50% retracement of the summer decline.

Support	Resistance	1-Week View	1-Month View
9.7298/9.7194	9.8532&9.9134	➔	➔
9.5677/9.5473	10.0090/.0265		

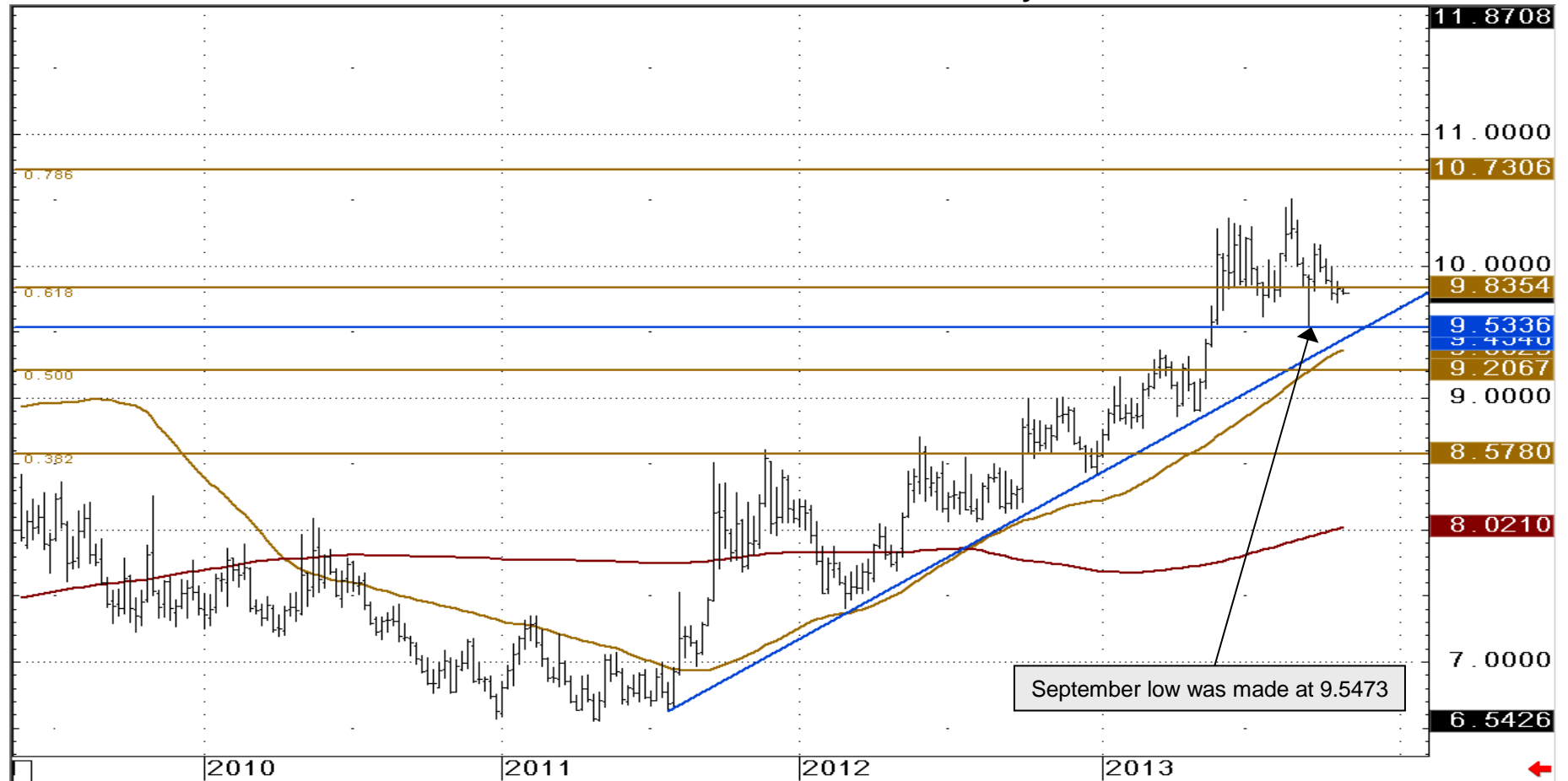
USD/ZAR Daily Chart



USD/ZAR - Weekly Chart

Still trades around the 61.8% Fibonacci retracement at 9.8354

USD/ZAR Weekly Chart



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Mon Oct 28 2013 08:53:33

Rouble Basket - Daily Chart

Slips towards the six month support line at 36.89 which should hold

- › The rouble basket’s slide from the 55 day moving average at 37.55 is ongoing with it approaching the six month support line and 38.2% Fibonacci retracement of this year’s rise at 36.89/83. Because of this slide we have neutralised our short term forecast for the time being.
- › Only a rise above the current October high at 37.75 will reinstate our short term bullish forecast. In this scenario the June peak at 37.89 will be eyed. Between the latter level and the 38.00 mark the rouble basket may well lose upside momentum, though.
- › We will retain our overall bullish bias while no daily chart close below the September low at 36.51 is seen.
- › Unexpected failure there would put the 200 day moving average at 36.37 and the mid-June low at 36.23 back on the map. Only once the 38.35 September high has been overcome will our medium term forecast become bullish again.

Support	Resistance	1-Week View	1-Month View
36.89/83&36.51	37.55&37.75	➔	➔
36.36/33&36.23	37.89&38.00		

Rouble Basket Daily Chart

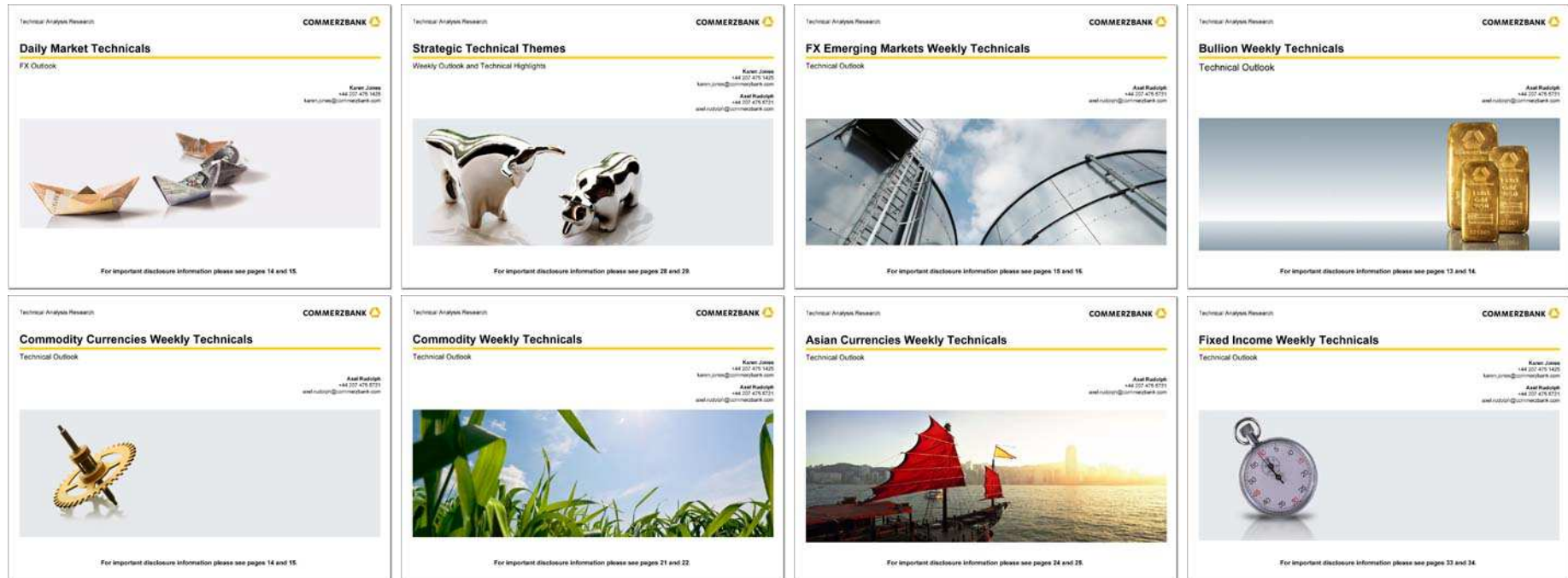


Rouble Basket - Weekly Chart

Slips back towards the 37.00 region

Rouble Basket Weekly Chart





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- 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;
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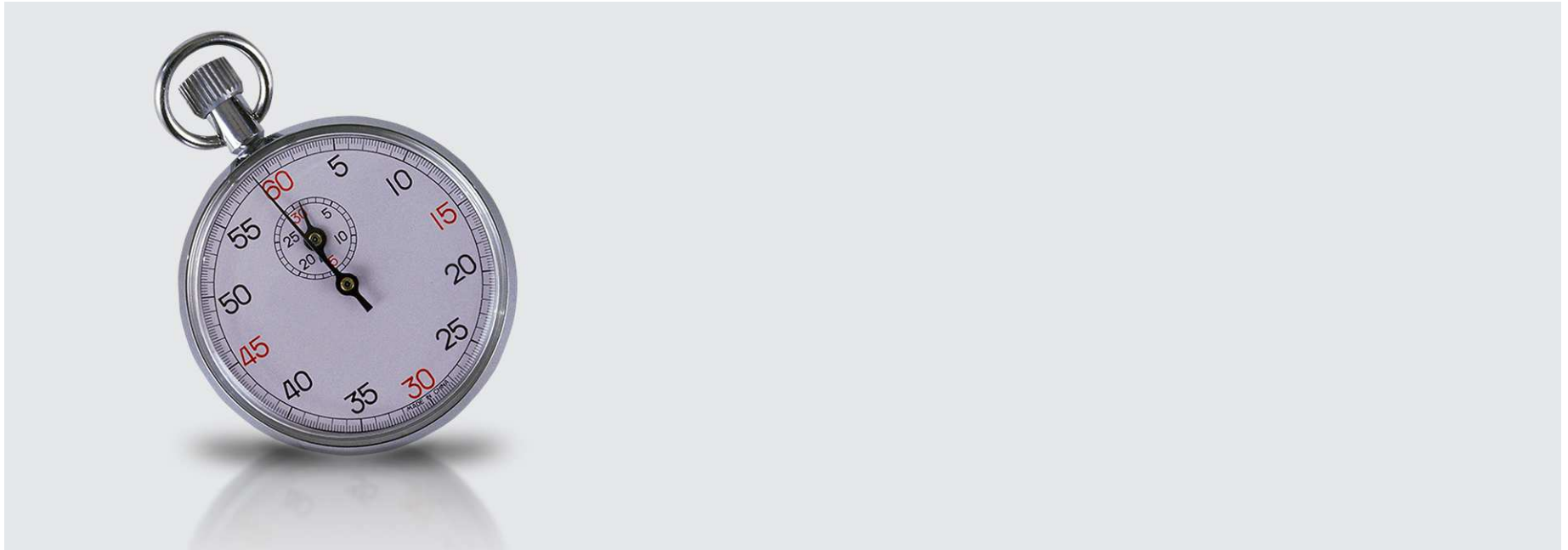
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