

FX Emerging Markets Weekly Technicals

Monday, 09 December 2013

Technical Outlook

1 Technical Analysis

Banks
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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



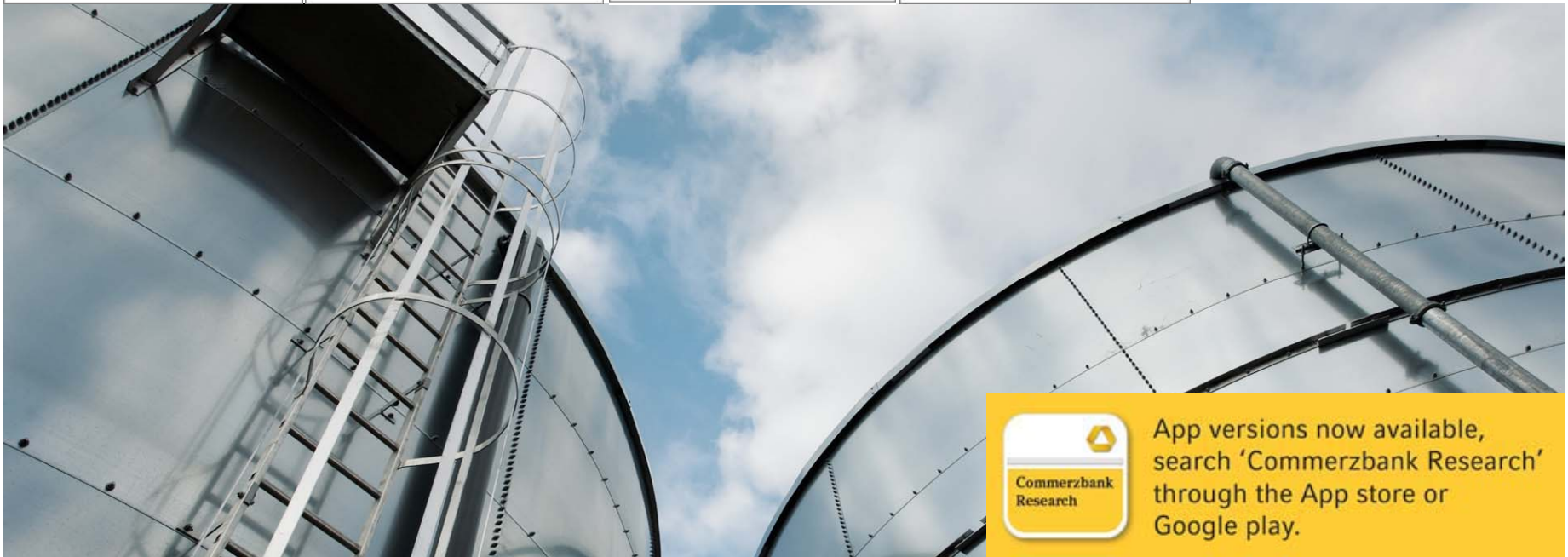
2 Technical Analysis

Commerzbank

Source: Euromoney FX Survey 2013



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Technical Outlook

Emerging Market currencies are making back some lost ground, neutralising some of our views

Market	Short term view (1-3 weeks)
EUR/PLN:	Drifts back towards the 78.6% Fibonacci retracement at 4.1523 and thus remains sidelined.
EUR/HUF:	Slipped back to the breached resistance line at 300.14 which now acts as support. Is short term neutralised.
EUR/CZK:	Has reached the 61.8% Fibonacci retracement at 27.48 around which it currently struggles.
EUR/BRL:	An interim top is likely to have been formed last week at 3.2637.
USD/BRL:	Failed at the 78.6% Fibonacci retracement at 2.3888, neutralising our forecast.
EUR/TRY:	Has made a new all-time high at 2.8004 which should soon be overcome.
USD/TRY:	Remains sidelined between 2.0609 and 1.9939 but still has a medium term bullish bias.
USD/MXN:	In view of the recent sharp sell-off we have neutralised our forecast; could test 12.7556/12.7484.
USD/ZAR:	Reversed off its 4 ¾ high at 10.5763 and may slide further for a short while.
Rouble Basket:	Made an interim high at 38.69 which is why we have neutralised our forecast.

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

Emerging market currencies except the Czech Koruna try to bounce back 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

9 Dec 2013 PLNEUR

Ar

Update Professional : Data by Bloomberg

C: 0.23886 -0 (0.0%)

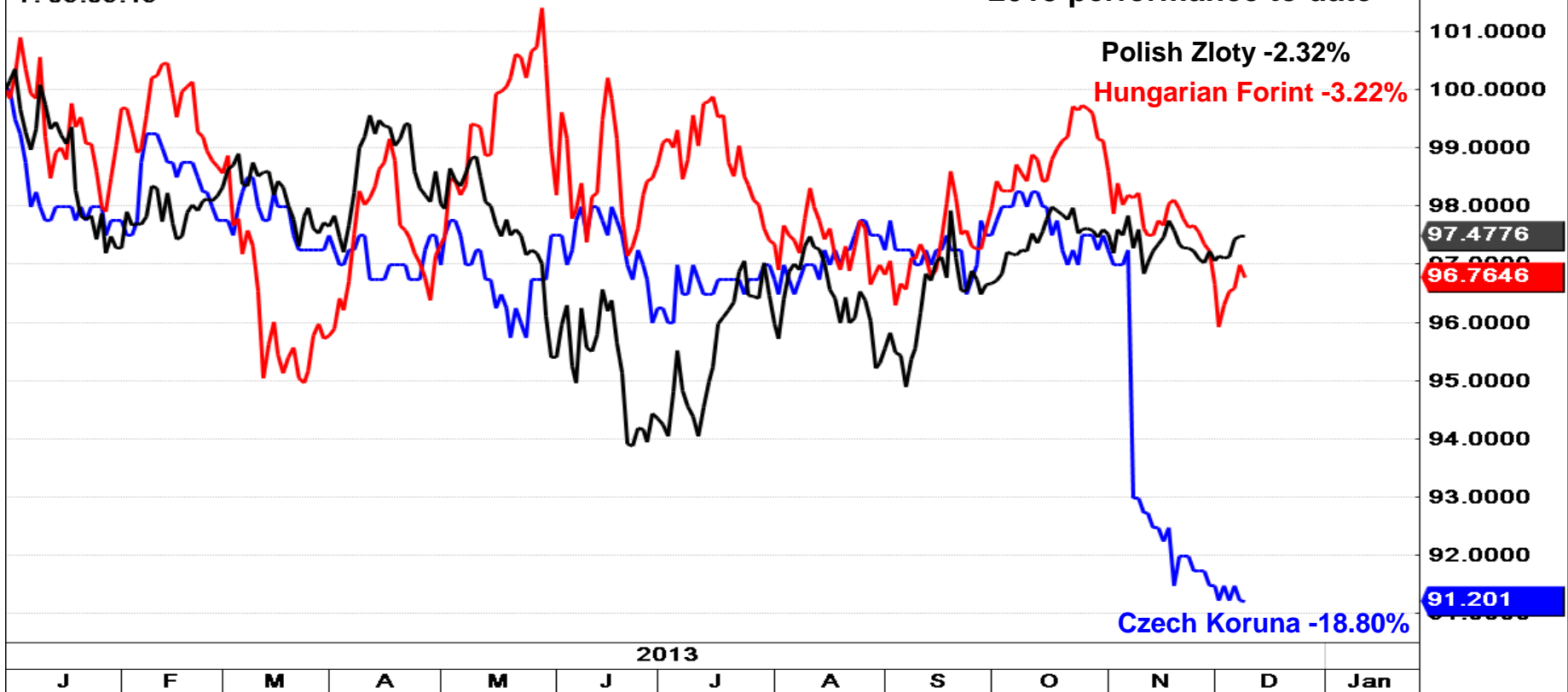
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2013 performance to date

Polish Zloty -2.32%

Hungarian Forint -3.22%

Czech Koruna -18.80%

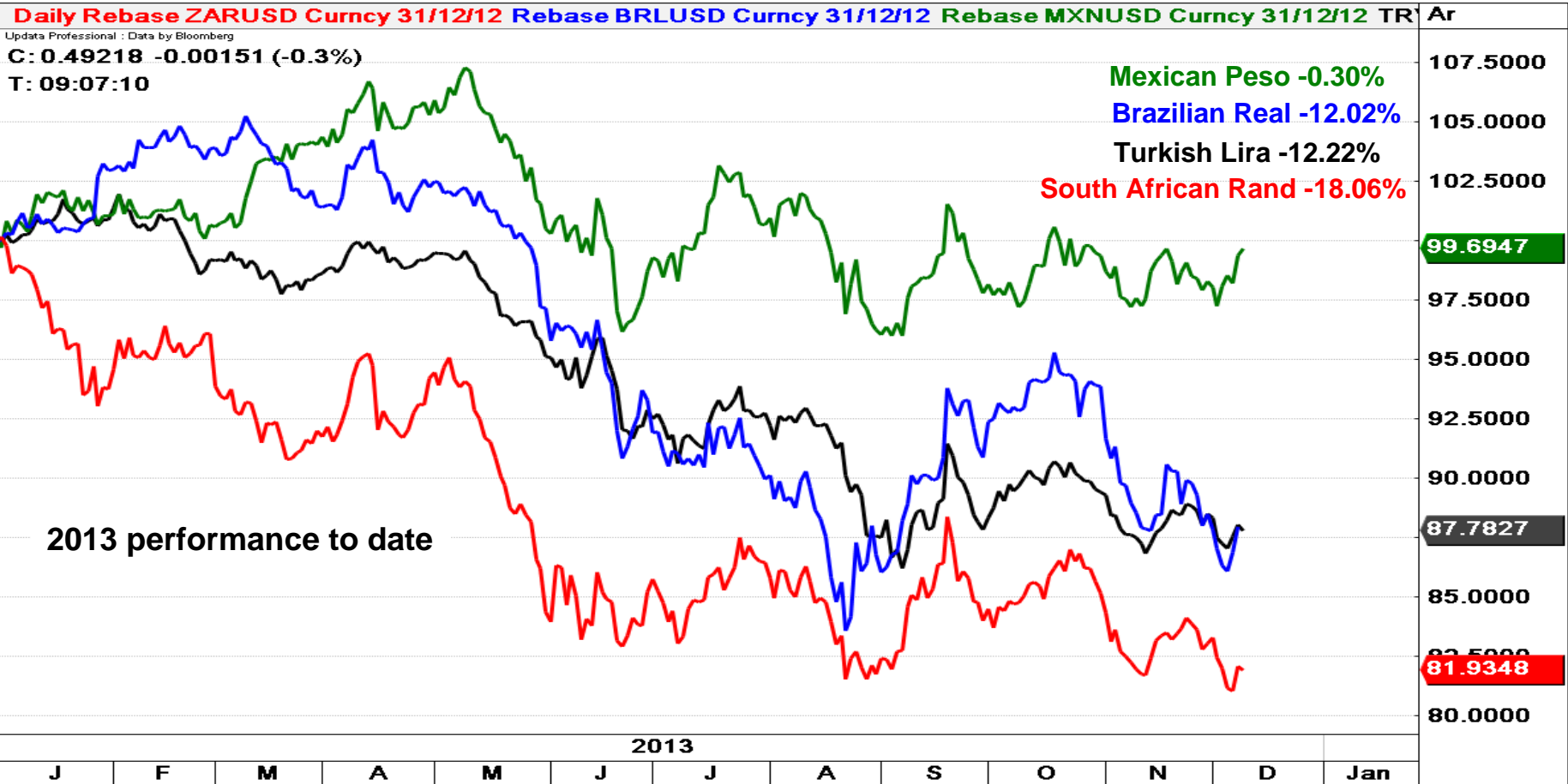


Turkish Lira, South African Rand, Brazilian Real & Mexican Peso vs. US\$

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

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

[update](#)



EUR/PLN - Daily Chart

Drifts back towards the 78.6% Fibonacci retracement at 4.1523 and thus remains sidelined

- › EUR/PLN is drifting back down towards the 78.6% Fibonacci retracement of the April-to-June rise at 4.1523.
- › As long as it, the November low at 4.1517 and the 4.1443 September low underpin, further sideways trading remains on the cards. We will retain our short term slightly bearish view while the 200 day moving average at 4.2082 and the November peak at 4.2204 cap.
- › If bettered, the 50% retracement and the late September high at 4.2318/4.2403 could be reached, though.
- › Further range trading 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 at some stage. Failure there on a weekly basis will mean that a top has been formed with the 200 week moving average at 4.1210 then being in focus.

EUR/PLN Daily Chart



Support	Resistance	1-Week View	1-Month View
4.1688&4.1564	4.2082&4.2204	➔	➔
4.1517&4.1443	4.2318/41		

EUR/PLN - Weekly Chart

Continues to trade near the 2008-13 support line at 4.1691

EUR/PLN Weekly Chart



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EUR/HUF - Daily Chart

Slipped back to the breached resistance line at 300.14 which now acts as support; neutralised

- › Last week EUR/HUF shot up to 304.08 before slipping back to the breached resistance line at 300.14. This is currently acting as support.
- › We expect EUR/HUF to oscillate around the psychological 300 level in the days to come.
- › Into year end it is very likely to trade within the confines of its January peak at 308.65 on the one hand and the 291.82 October low on the other hand.
- › We believe that an interim high was made at 304.08 last week and that the 299.54 mid-November high is to be revisited this or next week as long as the August and current December highs at 303.41/304.08 cap.
- › Good support comes in between the 200 day moving average at 297.50 and the late November low at 296.23.

EUR/HUF Daily Chart



Support	Resistance	1-Week View	1-Month View
300.14/299.54	302.75&303.41	➔	➔
297.50/286.23	304.08&308.65		

EUR/HUF - Weekly Chart

Drifts back towards the 50% retracement at 299.34

EUR/HUF Weekly Chart



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EUR/CZK – Daily Chart

Has reached the 61.8% Fibonacci retracement at 27.48 around which it currently struggles

- › EUR/CZK's rally is ongoing with it banging against the 61.8% Fibonacci retracement of the 2009-2011 decline at 27.48 and the 27.50 area. Around it we still expect the currency pair to struggle.
- › Should this not be the case, the March 2007 low at 27.61 is another potential upside target (please see the monthly chart on the following page). Above it sits the August 2006 low at 27.95.
- › Support above the minor psychological 27.00 level is seen between the 27.39 November 19 high and the 27.34 current December low.
- › Further support comes in around the 27.18 November 21 low but it is unlikely to be revisited anytime soon.

EUR/CZK Daily Chart



Support	Resistance	3-Week View	3-Month View
27.39/34&27.18	27.48/52	➔	➔
27.10&27.00	27.61&27.95		

EUR/CZK - Monthly Chart

Flirts with the 61.8% Fibonacci retracement at 27.48, around which it should stall short term

EUR/CZK Monthly Chart



EUR/BRL - Daily Chart

An interim top is likely to have been formed last week at 3.2637

- › EUR/BRL shot up to 3.2637 last week, just short of the 3.2811 August peak. We believe that the 3.2637/3.2811 resistance area will cap the currency pair into year end.
- › It thus stands to reason that the mid-November high at 3.1541 is likely to be revisited in the near future.
- › While EUR/BRL stays above its 3.0381 November 19 low, an upward bias will remain in place.
- › We expect to see range trading into year end.
- › Unexpected failure at 3.0381 will put the 2013 support line at 3.0133 back on the map. This we do not expect, though.
- › Neither do we expect a rise above 3.2811 being seen this year.
- › Should this happen, the October 2008 high at 3.3487 will be back in the picture.

EUR/BRL Daily Chart

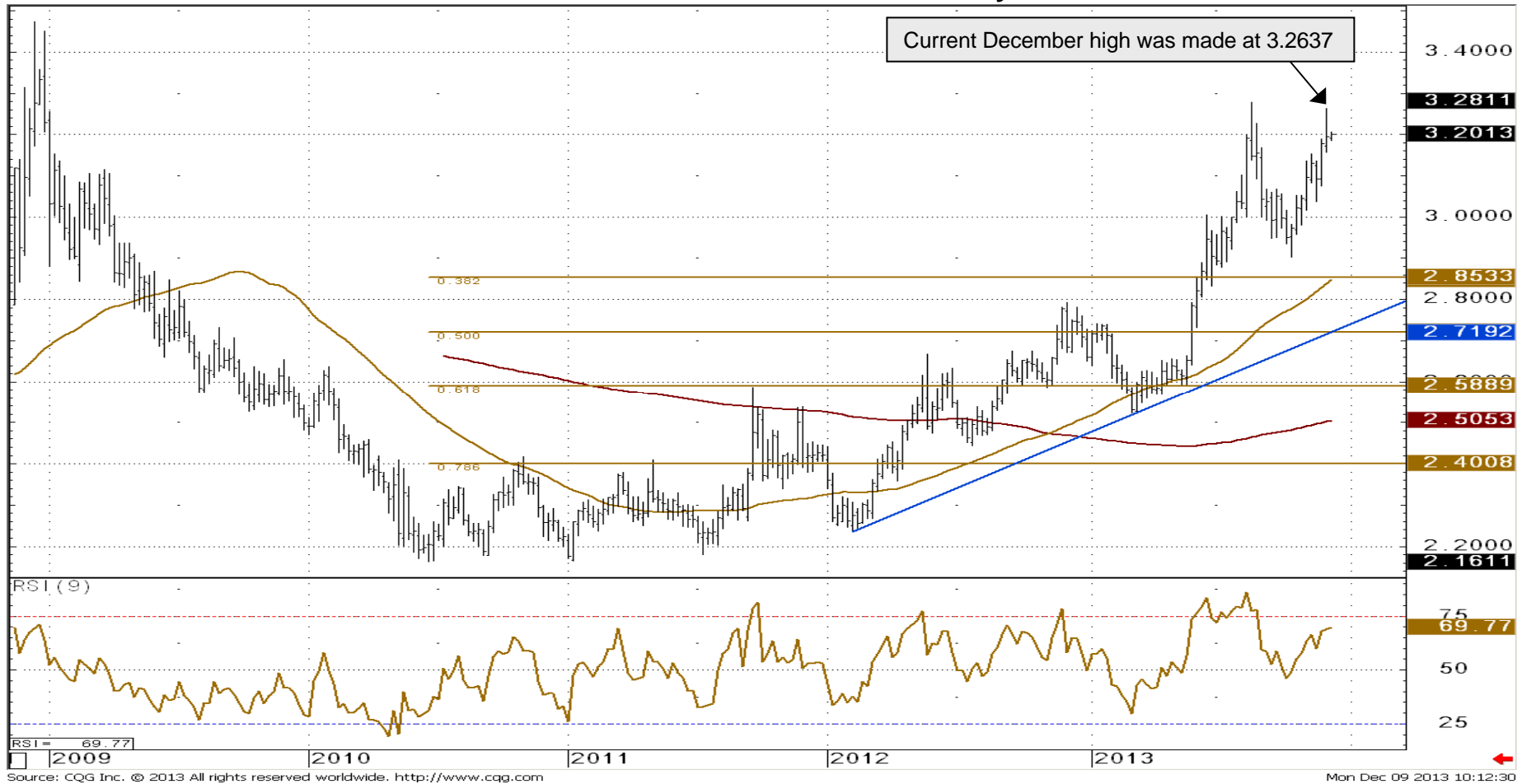


Support	Resistance	1-Week View	1-Month View
3.1541&3.1347	3.2637/3.2811	➔	➔
3.0677&3.0381	3.3000&3.3487		

EUR/BRL - Weekly Chart

Remains within a long term uptrend but may well have formed an interim high at 3.2637

EUR/BRL Weekly Chart



USD/BRL - Daily Chart

Failed at the 78.6% Fibonacci retracement at 2.3888, neutralising our forecast

- › Last week USD/BRL shot up to but has then been capped by the 78.6% Fibonacci retracement at 2.3888 and since then has rapidly given back some of its recent gains, making us neutralise our forecasts. This we have also done in view of the negative divergence which can be seen on the daily RSI.
- › We believe that an interim top was made at 2.3947 in early December and that the currency pair will range trade below this level and the 2.4034 September high but above the 2.2509 November 19 low into year end.
- › Should 2.3947/2.4034 be unexpectedly overcome, though, the August peak at 2.4545 will be back in the picture.
- › Similarly an unexpected slip and daily close below the 2.2509 low would put the 2.2089 July low back on the map.

USD/BRL Daily Chart

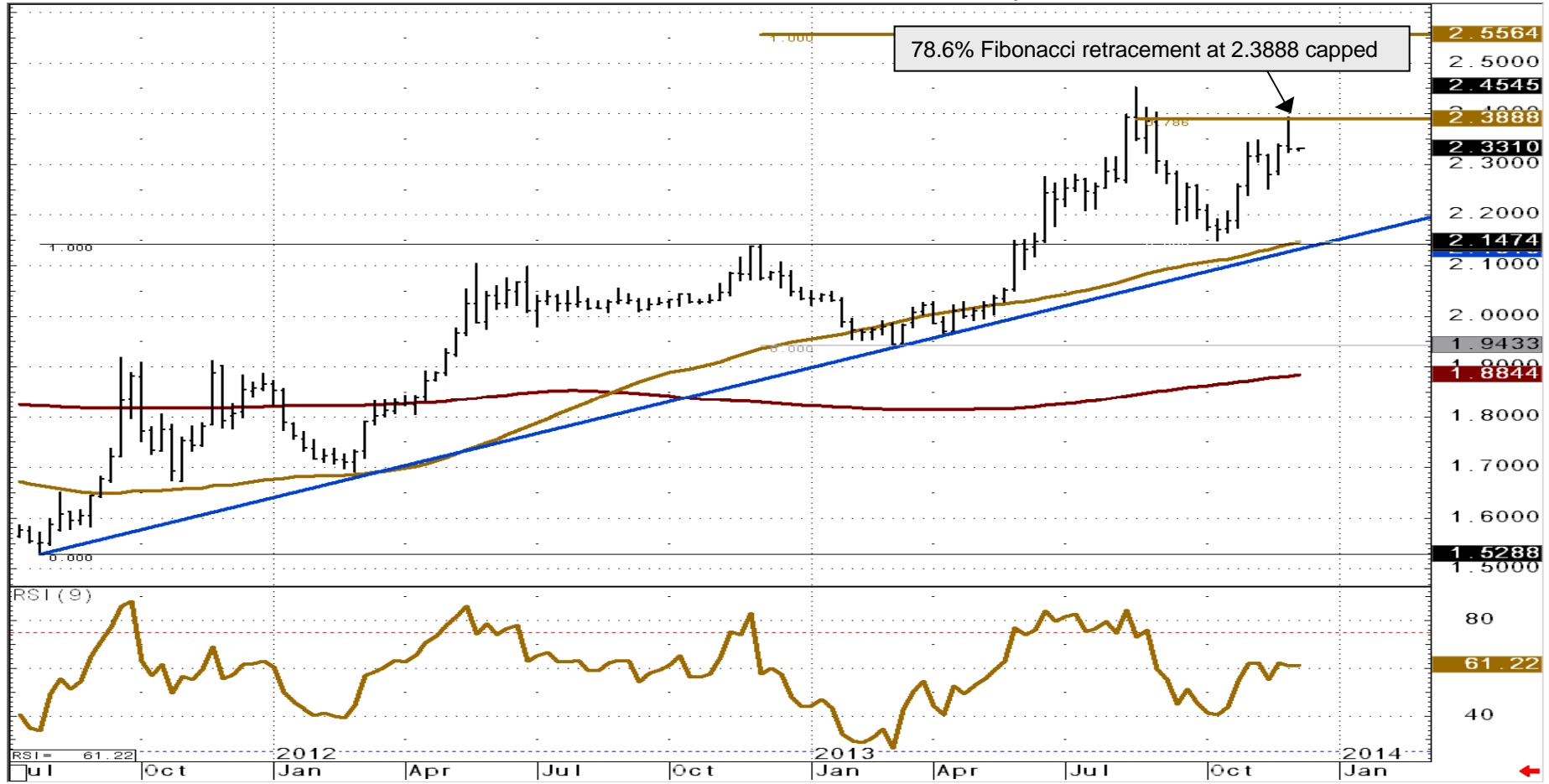


Support	Resistance	1-Week View	1-Month View
2.3009&2.2647	2.3947/2.4034	➔	➔
2.2411&2.2204	2.4545&2.5000		

USD/BRL - Weekly Chart

The 78.6% Fibonacci retracement at 2.3888 capped

USD/BRL Weekly Chart



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EUR/TRY - Daily Chart

Has made a new all-time high at 2.8004 which should soon be overcome

- › On Friday EUR/TRY made a new all-time high at 2.8004.
- › This level is to soon be bettered with the redrawn resistance line at 2.8021 then being eyed.
- › Above it there is no resistance to speak of.
- › We can only see a vertical upside target on the 0.001 x 3 hourly Point & Figure chart which comes in at 2.8310 and the minor psychological 2.8500 level as potential resistance.
- › Good support sits between the August-to-November highs at 2.7691/2.7472 and can also be seen between the 55 day moving average at 2.7265 and the eight month support line at 2.7208.
- › We will retain our bullish forecast while EUR/TRY stays above its 2.6931 November low.

EUR/TRY Daily Chart

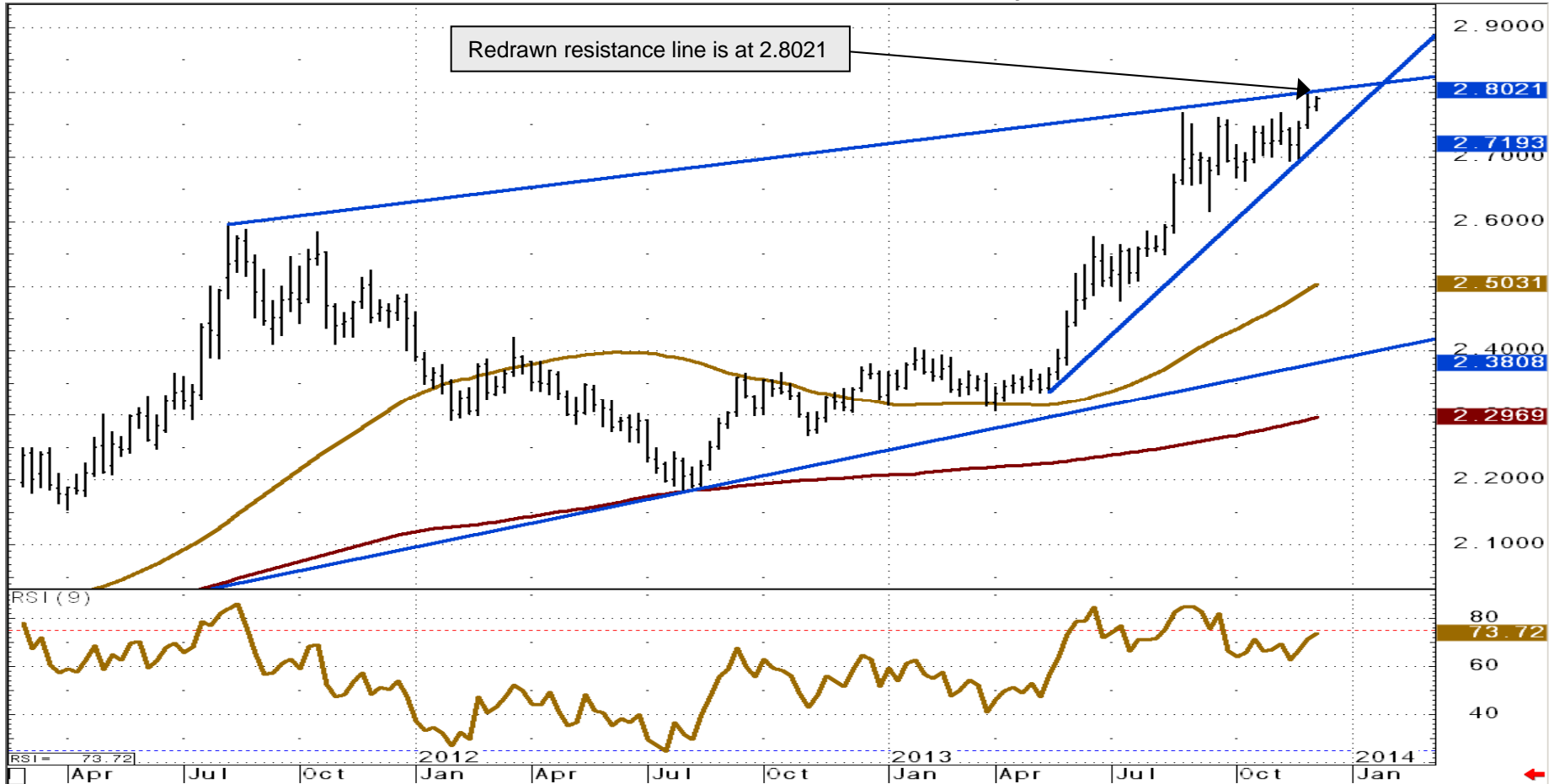


Support	Resistance	1-Week View	1-Month View
2.7691/2.7472	2.8004/21	➔	➔
2.7265/2.7208	2.8310&2.8500		

EUR/TRY - Weekly Chart

Is expected to retest the 2.8000 region and remains bullish while above 2.6931

EUR/TRY Weekly Chart



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USD/TRY - Daily Chart

Remains sidelined between 2.0609 and 1.9939 but still has a medium term bullish bias

- › Last week's USD/TRY rally faltered at 2.0546, not far below the 2.0609 November high.
- › A correction back to the 55 day moving average and the eight month support line at 2.0089/84 thus looks to be on the cards but the next lower 1.9939 late November low is not expected to be revisited.
- › As long as it underpins, another attempt at breaking through the 2.0546/2.0609 resistance area should be made and, if successful, lead to the August and September highs at 2.0728/2.0865 being reached.
- › We will retain our medium term bullish forecast as long as UST/TRY stays above the 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.

USD/TRY Daily Chart

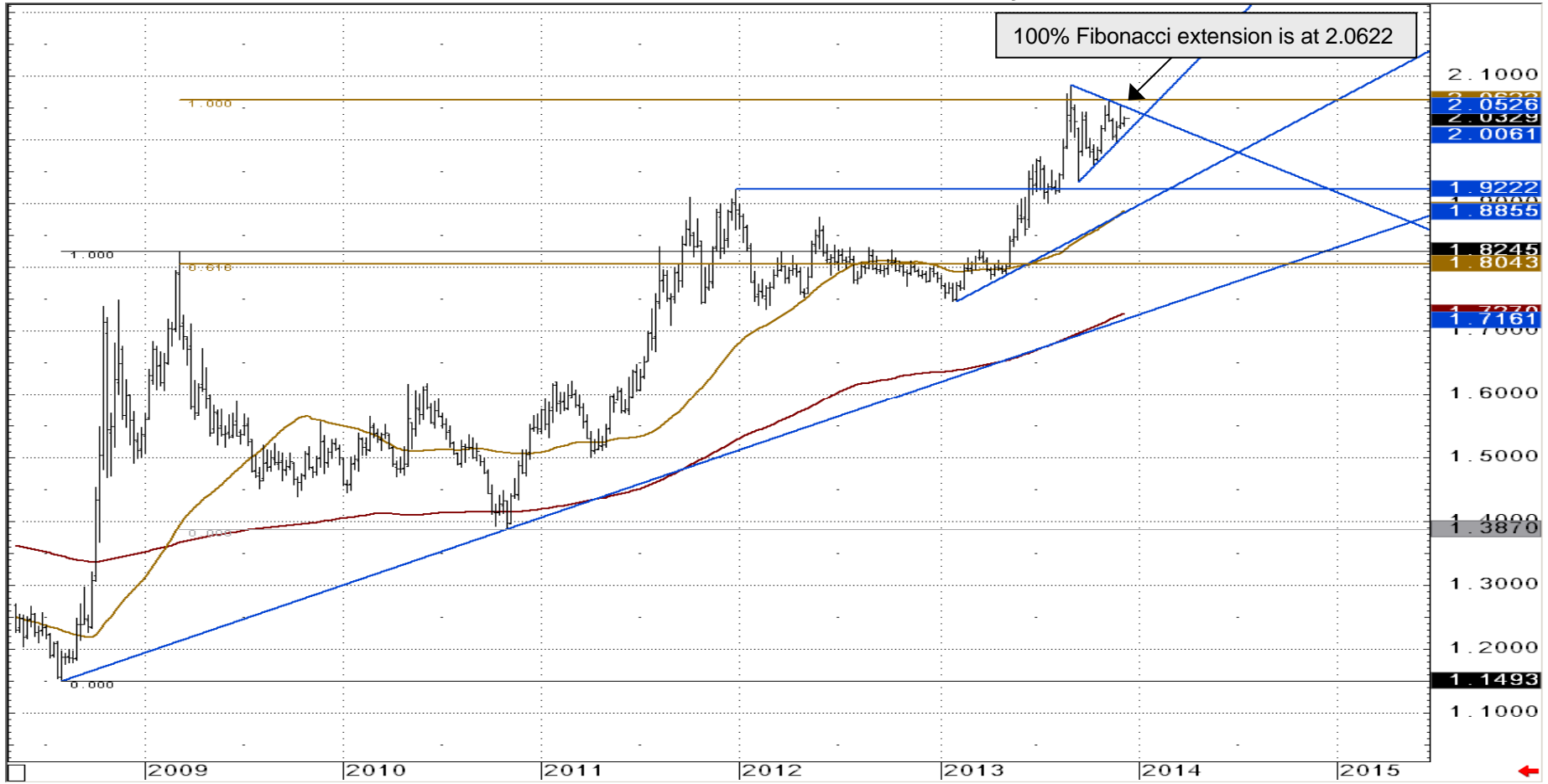


Support	Resistance	1-Week View	1-Month View
2.0185&2.0084	2.0546/2.0609	➔	➔
1.9939&1.9872	2.0728/2.0865		

USD/TRY - Weekly Chart

Stays below the 100% Fibonacci extension at 2.0622 but remains bid

USD/TRY Weekly Chart



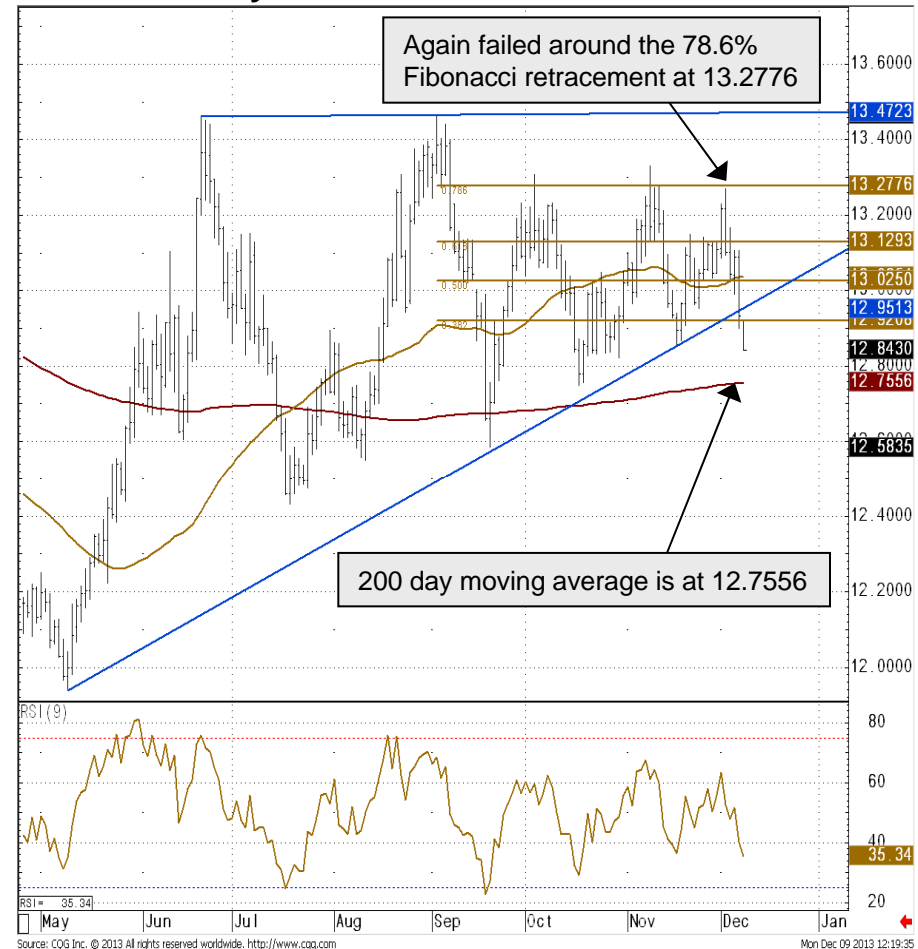
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USD/MXN - Daily Chart

In view of the recent sharp sell-off we have neutralised our forecast; could test 12.7556/12.7484

- › USD/MXN has slipped through the eight month support line at 12.9513, having again been rejected by the 78.6% Fibonacci retracement at 13.2776.
- › We have therefore neutralised our forecast and allow for the 200 day moving average at 12.7556 and the October low at 12.7484 to be revisited.
- › Should this support zone give way, the August and September lows at 12.5835/12.5502 will be back in the frame. There the currency pair should stabilise again.
- › If not, the July low at 12.4315 could also be eyed again.
- › A short term bearish bias will be maintained while USD/MXN stays below the 61.8% Fibonacci retracement at 13.1293.
- › Minor resistance can be seen along the breached support line at 12.9513.

USD/MXN Daily Chart



Support	Resistance	1-Week View	1-Month View
12.755/12.7484	12.951&13.025	➔	➔
12.583/12.5502	13.129&13.271		

USD/MXN - Weekly Chart

The drop through the 2013 support line at 12.9492 has made us neutralise our forecast

USD/MXN Weekly Chart



USD/ZAR - Daily Chart

Reversed off its 4 ¾ high at 10.5763 and may slide further for a short while

- › Last week's USD/ZAR advance took it to 10.5763, a four and three quarter year high, before it made a key reversal day on Friday.
- › This indicates that at least an interim top was made at this level and that the odds favour a test of the one month support line at 10.2276.
- › Further support can be seen between the late September high at 10.1693 and the current December low at 10.1260.
- › While the currency pair remains above its November low at 10.0260, though, recent upside pressure could once again manifest itself.
- › We will retain our medium term bullish forecast while USD/ZAR stays above its October low at 9.7194.
- › Once resistance at 10.5763 has been bettered, the March 2009 peak at 10.6956 will be targeted.

USD/ZAR Daily Chart

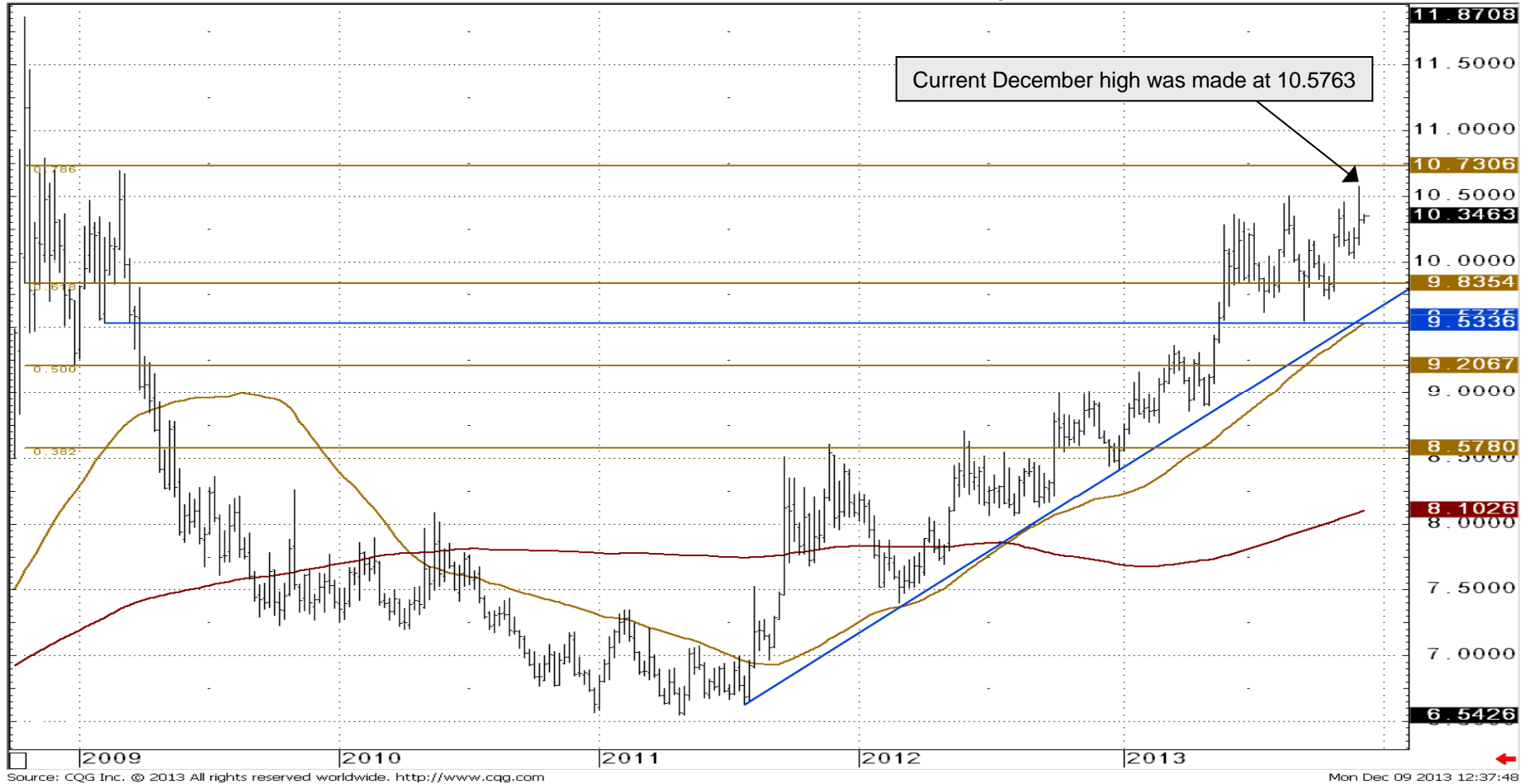


Support	Resistance	1-Week View	1-Month View
10.227&10.169	10.459/10.576	➔	➔
10.126&10.026	10.6956		

USD/ZAR - Weekly Chart

Comes off its 4 ¾ year high at 10.5763

USD/ZAR Weekly Chart



Rouble Basket - Daily Chart

Made an interim high at 38.69 which is why we have neutralised our forecast

- › Last week the rouble basket rose to 38.69 before giving back some of its recent gains.
- › We are of the opinion that another top has been formed, as has been seen over the past few years.
- › The November 12 high at 38.00 is to be retested soon and probably also the October high at 37.75 as well as the four month support line and the 55 day moving average at 37.69/66.
- › All of these levels will be targeted while the current December peak at 38.69 caps.
- › Should this level unexpectedly be exceeded, the 38.99/39.01 July and August 2009 highs will beckon.

Rouble Basket Daily Chart



Support	Resistance	1-Week View	1-Month View
38.00&37.75	38.35&38.69	➔	➔
37.69/66&37.61	38.99/39.01		

Rouble Basket - Weekly Chart

Made a 4 ¼ year high at 38.69 but is not expected to retest this level in the weeks to come

Rouble Basket Weekly Chart

RUB BASKET (EUR & USD) (RUBBASK Currency)

update



Technical Analysis Research **COMMERZBANK**

Daily Market Technicals
FX Outlook

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Strategic Technical Themes
Weekly Outlook and Technical Highlights

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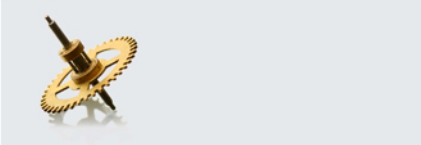


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- Wednesday:** Daily Market Technicals (FX), Strategic Technical Themes, Commodity Currencies Weekly Techn.;
- Thursday:** Daily Market Technicals (FX), Asian Currencies Weekly Technicals, FX Strategy;
- Friday:** Daily Market Technicals (FX), Fixed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

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