

Commodity Currencies Weekly Technicals

Wednesday, 05 March 2014

Technical Outlook

<p>1 Technical Analysis Banks Commerzbank</p> <p>Source: Euromoney FX Poll 2012</p> <p>2012  EUROMONEY</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  thetechnicalanalyst</p>	<p>2 Technical Analysis Commerzbank</p> <p>Source: Euromoney FX Survey 2013</p> <p>2013  EUROMONEY</p>
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For important disclosure information please see the end of the document.

Technical Outlook

The Kiwi Dollar remains short term bid but other commodity currencies stay sidelined

Market	Short term view (1–3 weeks)
NZD/USD:	Pushes hard into the .8428/37 resistance area which is likely to at least briefly give way.
AUD/NZD:	AUD/NZD is still slipping but is expected to remain above the January low at 1.0493.
USD/CAD:	Still consolidates below the 1.1189/1.1238 resistance zone but this should eventually give way.
EUR/AUD:	Continues to trade within the 1.5598/1.4985 band and thus stays sidelined.
EUR/NZD:	Drops back towards the 1.6304/1.6223 support area which we expect to once again hold.
EUR/CAD:	Retests strong resistance at 1.5186/1.5467 but negative divergence could indicate failure there

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

The New Zealand Dollar remains bid versus the US Dollar

AUD-USD X-RATE (AUDUSD Curncy)

[update](#)

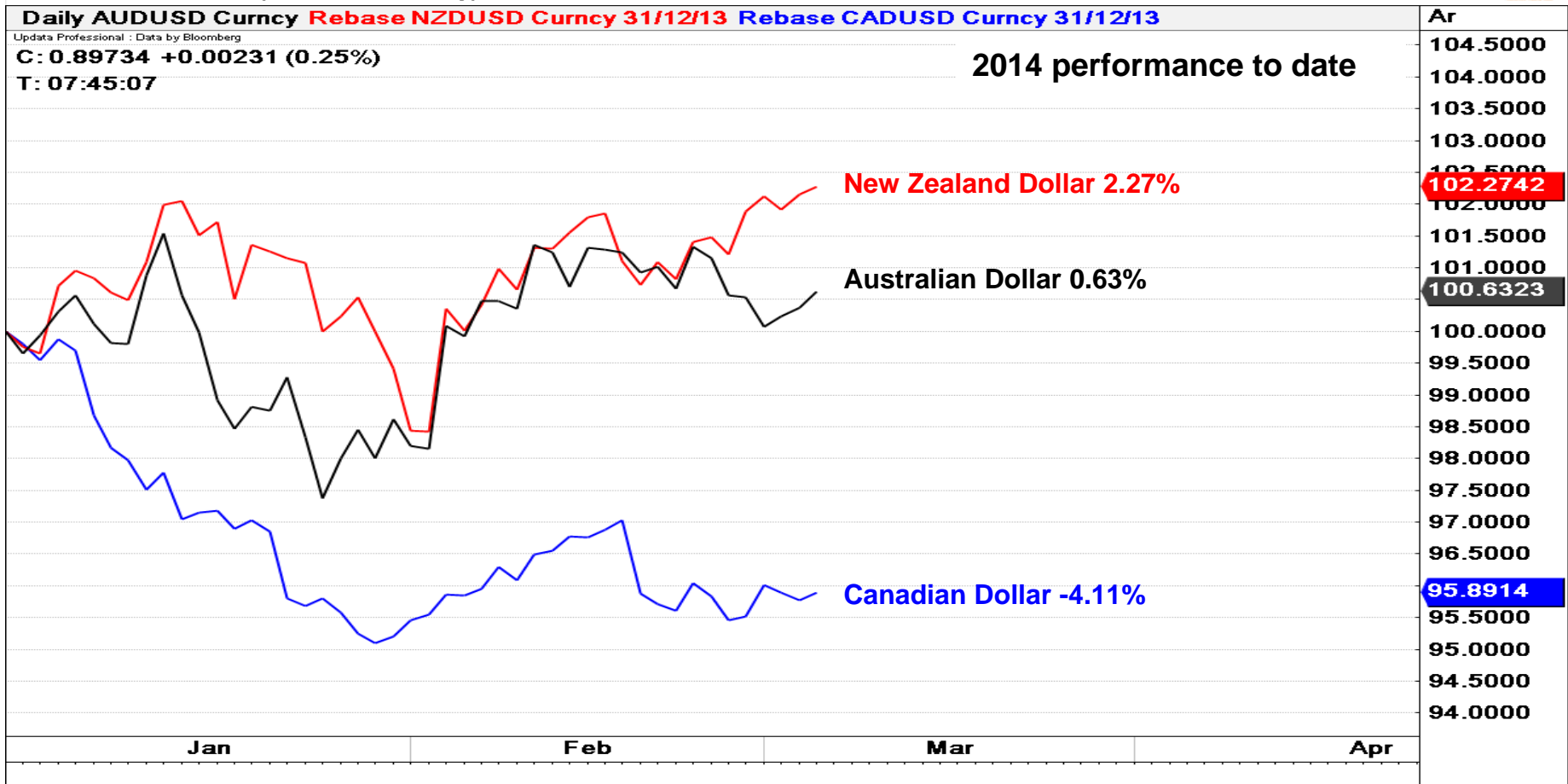
Daily AUDUSD Curncy **Rebase NZDUSD Curncy 31/12/13** **Rebase CADUSD Curncy 31/12/13**

Update Professional : Data by Bloomberg

C: 0.89734 +0.00231 (0.25%)

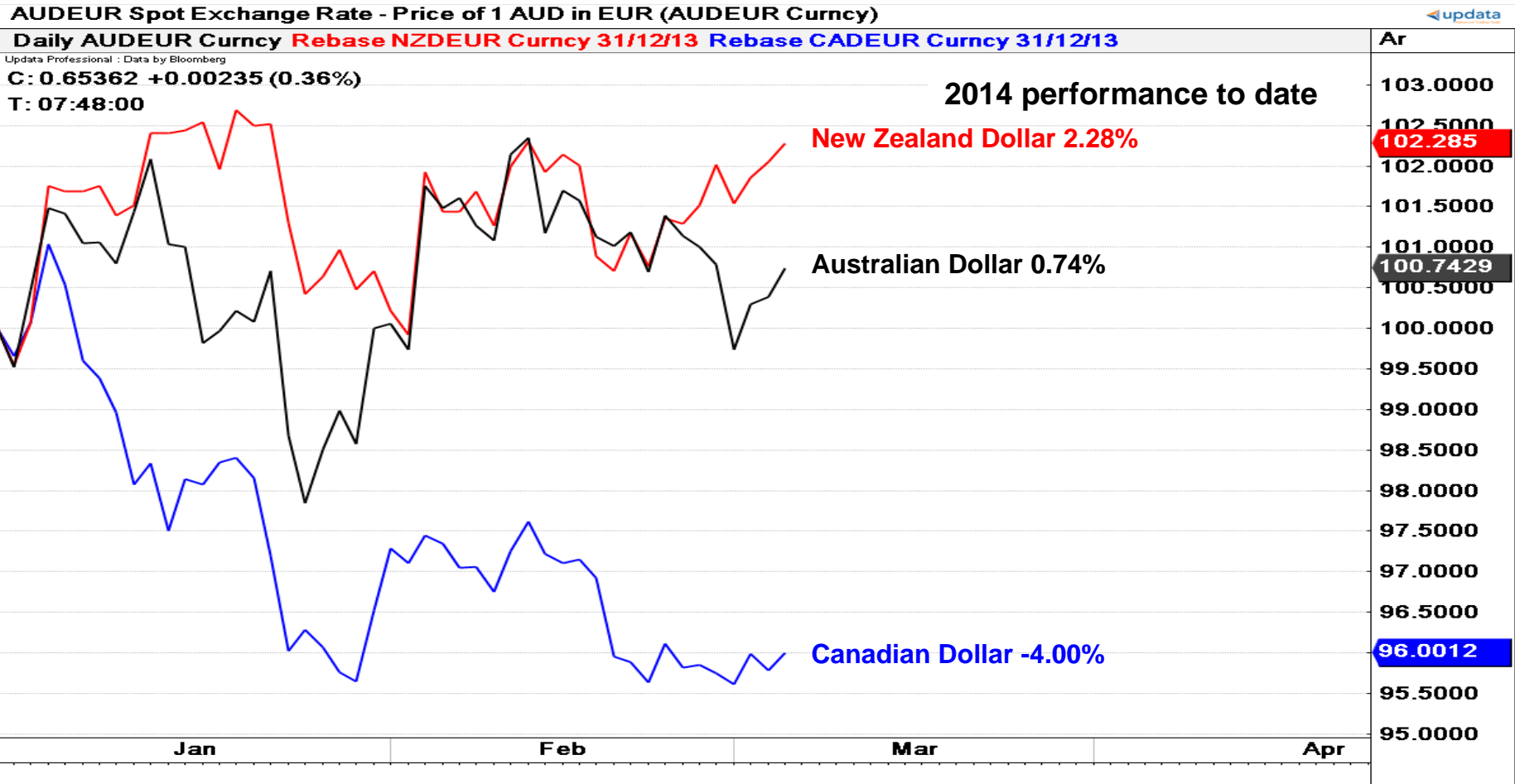
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2014 performance to date



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

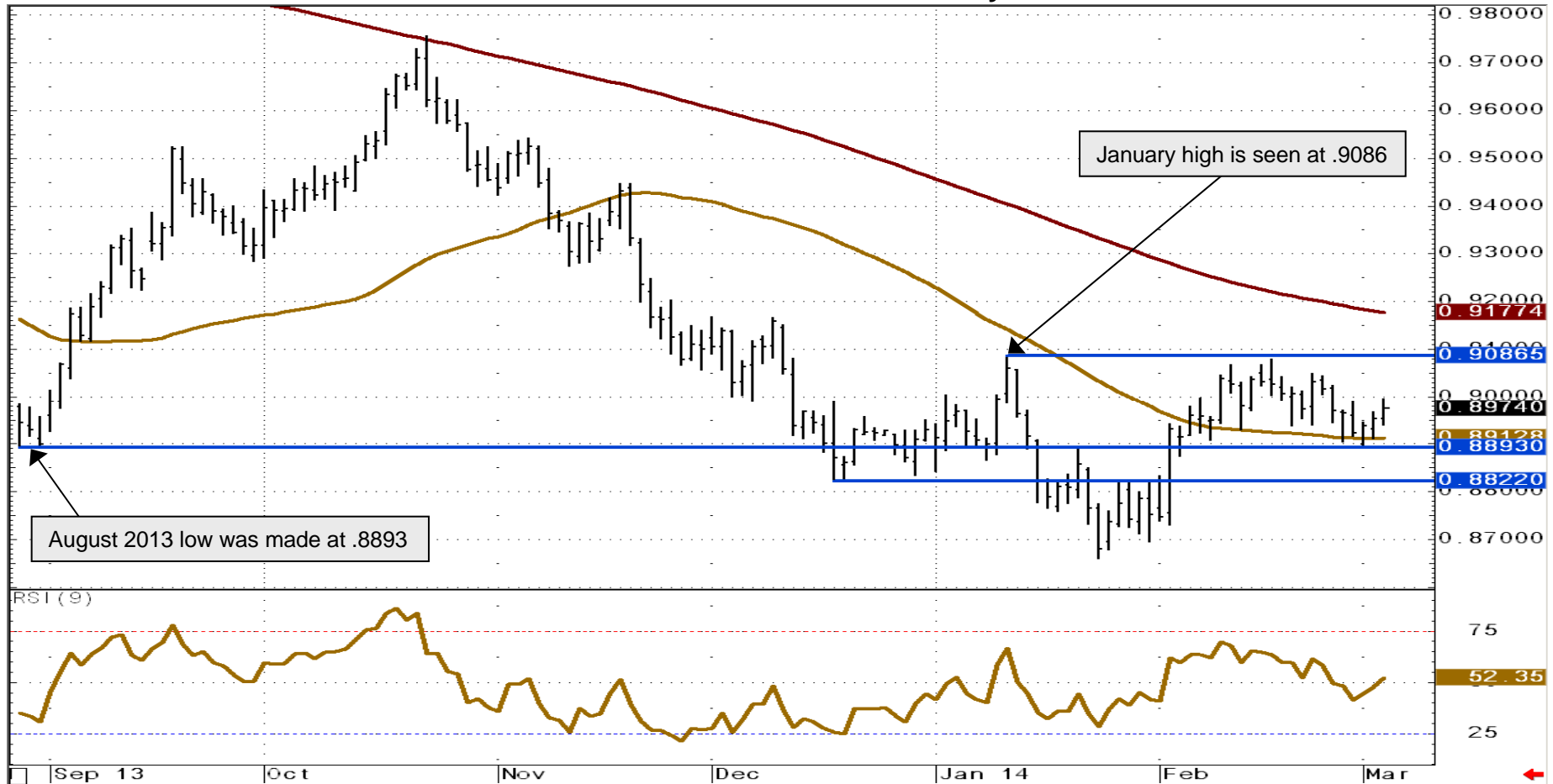
The New Zealand Dollar continues to appreciate versus the Euro



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

Pushes hard into the .8428/37 resistance area which is likely to at least briefly give way

- › NZD/USD once again probes the .8428/37 resistance area which is made up of the September, January and February highs.
- › It is likely that it will at least briefly give way in the next few days with the .8500 region then likely to be revisited.
- › Further up lies the October peak at .8545 below which the currency pair will probably struggle again
- › Bullish upside pressure will be maintained while the currency pair trades above the 55 day moving average and the February 20 low at .8273/42.
- › Only unexpected failure there would change our short term outlook from neutral to bearish with the 200 day moving average, 2013-14 support line and the February low at .8051 then being in focus. Such a slip we do not expect to see, though, and instead short term upside pressure should be maintained.

Support	Resistance	1-Week View	1-Month View
.8350&.8273	.8428/37	➔	➔
.8242&.8143	.8500&.8545		

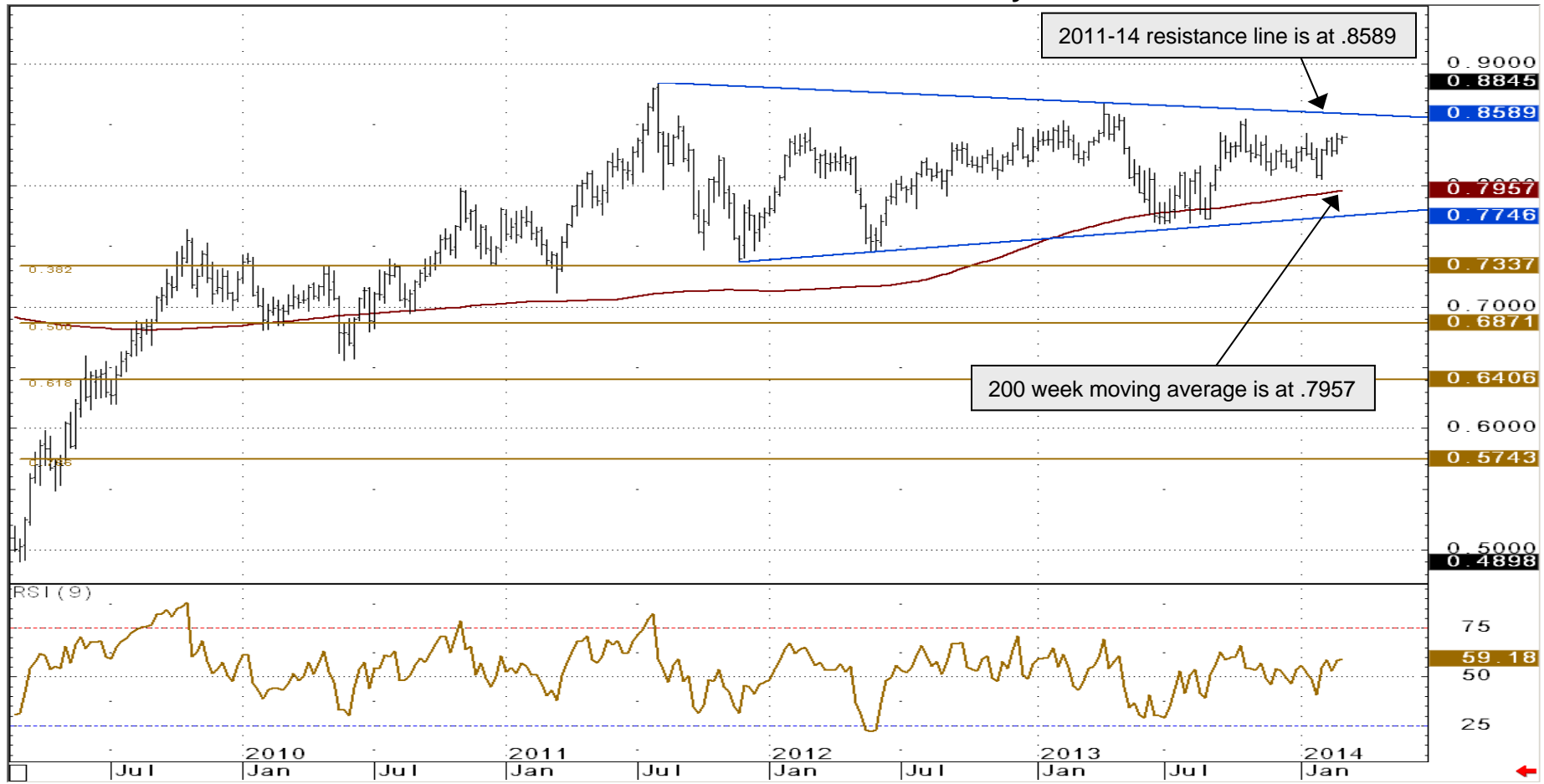
NZD/USD Daily Chart



NZD/USD - Weekly Chart

Remains sidelined between its long term resistance line and the 200 week moving average

NZD/USD Weekly Chart



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AUD/NZD - Daily Chart

AUD/NZD is still slipping but is expected to remain above the January low at 1.0493

- › AUD/NZD's decline from the 1.0948 early February high is ongoing but we expect it to halt ahead of or within the major support area at 1.0501/1.0434. This is made up of the 1995 and 2005 lows and should again hold, if retested.
- › Minor support above the major support area can be seen between the 78.6% Fibonacci retracement of the January-to-February rise at 1.0590 and the January 16 low at 1.0543.
- › Resistance between the mid-February low at 1.0735 and the 38.2% Fibonacci retracement at 1.0774 will need to be overcome, though, for the one month resistance line at 1.0850 to be back in play.
- › Once this resistance line has been broken, the 2013-14 resistance line at 1.0960 and then the August and September lows at 1.1157/99 will be targeted. There the currency pair is likely to struggle, though.

Support	Resistance	1-Week View	1-Month View
1.0590/43	1.0735/74	➔	➔
1.0501/1.0493	1.0892/1.0960		

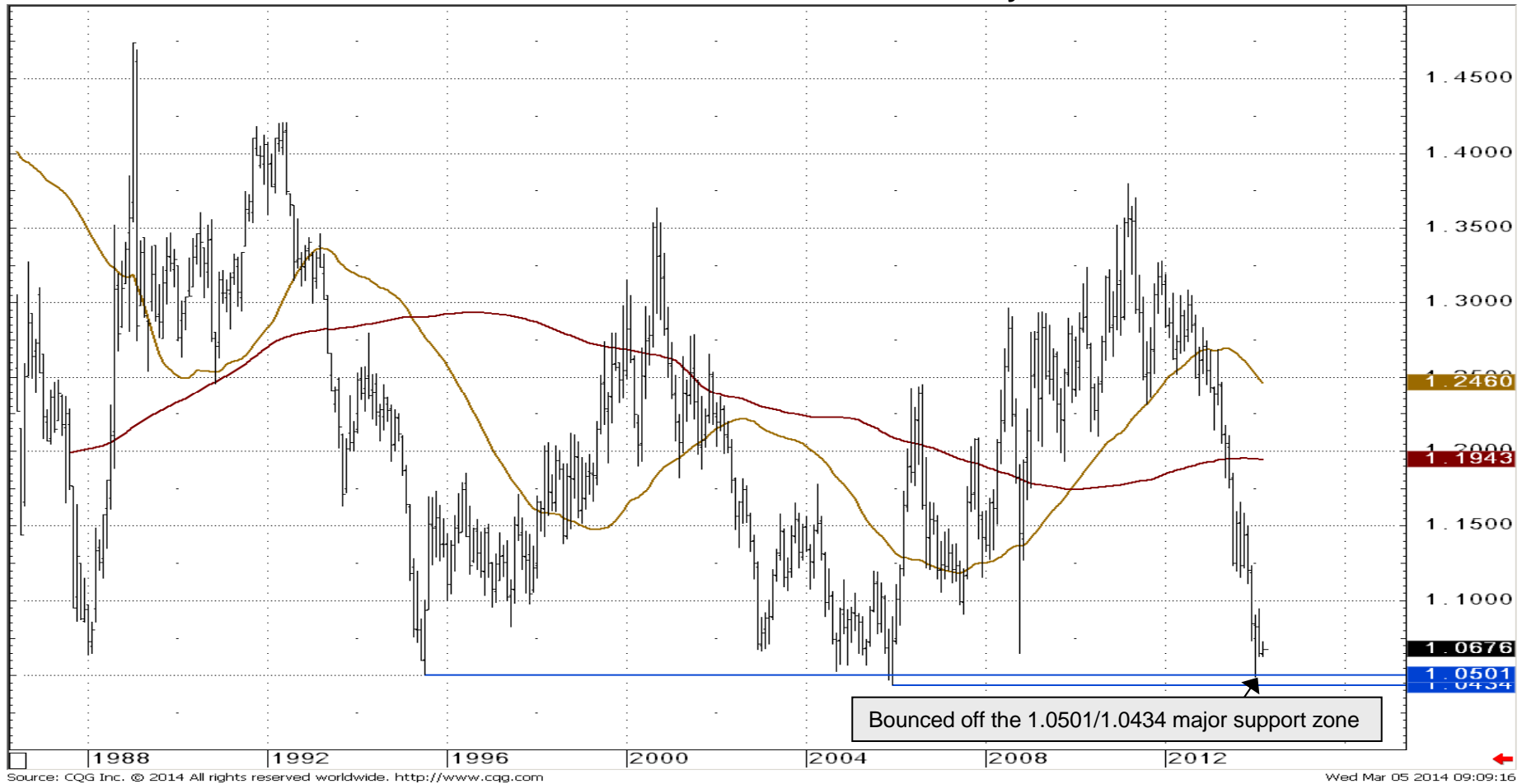
NZD/USD Daily Chart



AUD/NZD - Monthly Chart

Bounced off the 1.0501/1.0434 major support zone

NZD/USD Monthly Chart



USD/CAD - Daily Chart

Still consolidates below the 1.1189/1.1238 resistance zone but this should eventually give way

- › USD/CAD still consolidates below the February high at 1.1189, the January peak at 1.1224 and the 50% retracement of the 2009-11 decline at 1.1238.
- › We still expect the 50% retracement at 1.1238 to be overcome with the minor psychological 1.1500 level and the 38.2% Fibonacci retracement at 1.1533 being in focus.
- › Over the course of this year the next higher 1.1669 61.8% Fibonacci retracement and the 1.1722 July 2009 peak could also be reached.
- › Only unexpected failure at 1.0912 would push the 1.0736 December high back to the fore.
- › Support remains to be seen along the four month support line at 1.1018 and then between the 55 day moving average at 1.0937 and the February trough at 1.0912. This we expect to continue to hold in the days to come before the uptrend resumes.

Support	Resistance	1-Week View	1-Month View
1.1018&1.0937	1.1189/1.1238	➔	➔
1.0912&1.0736	1.1500/33		

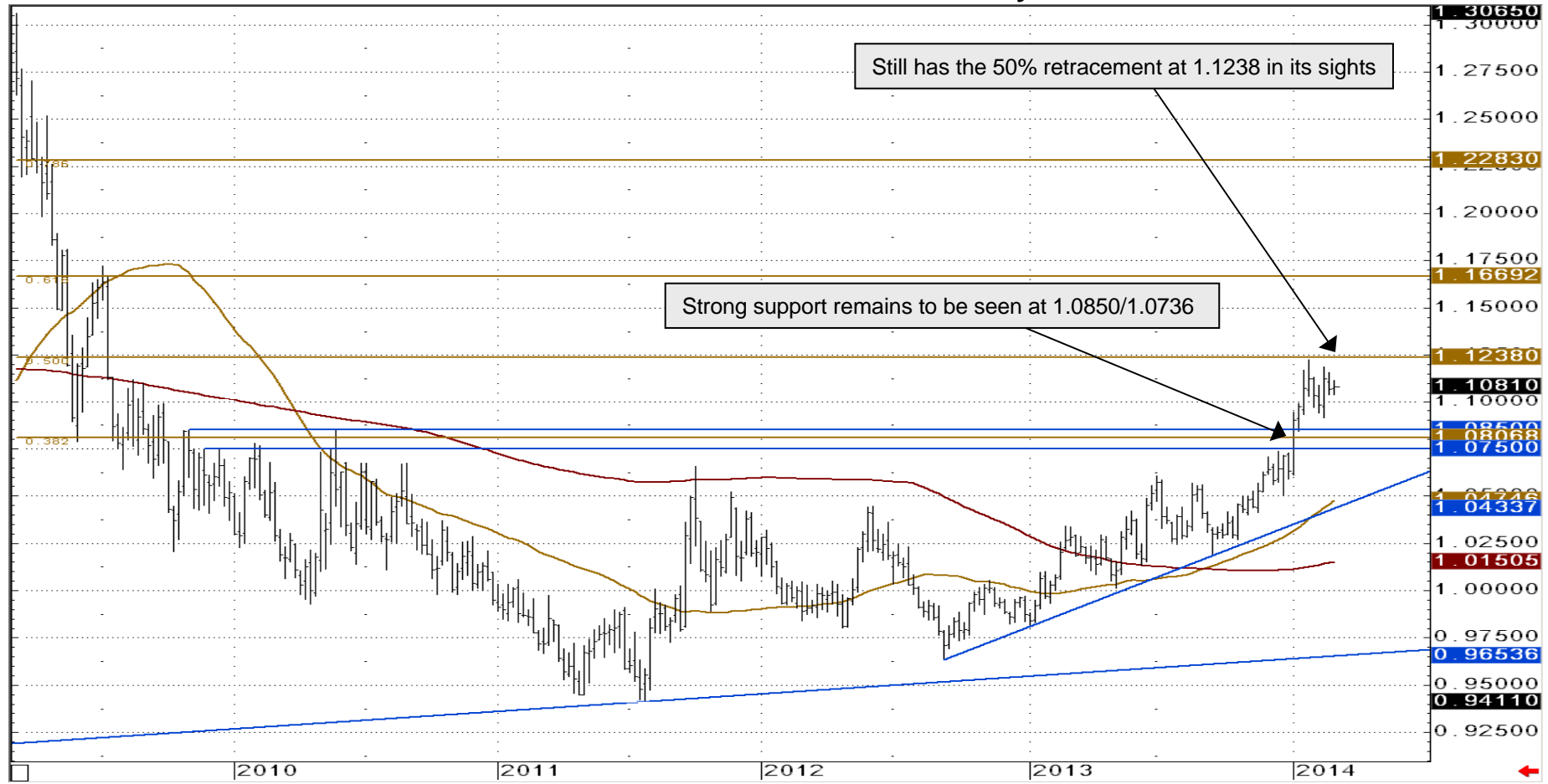
USD/CAD Daily Chart



USD/CAD - Weekly Chart

Still targets the 1.1224 January peak and 50% retracement at 1.1238

USD/CAD Weekly Chart



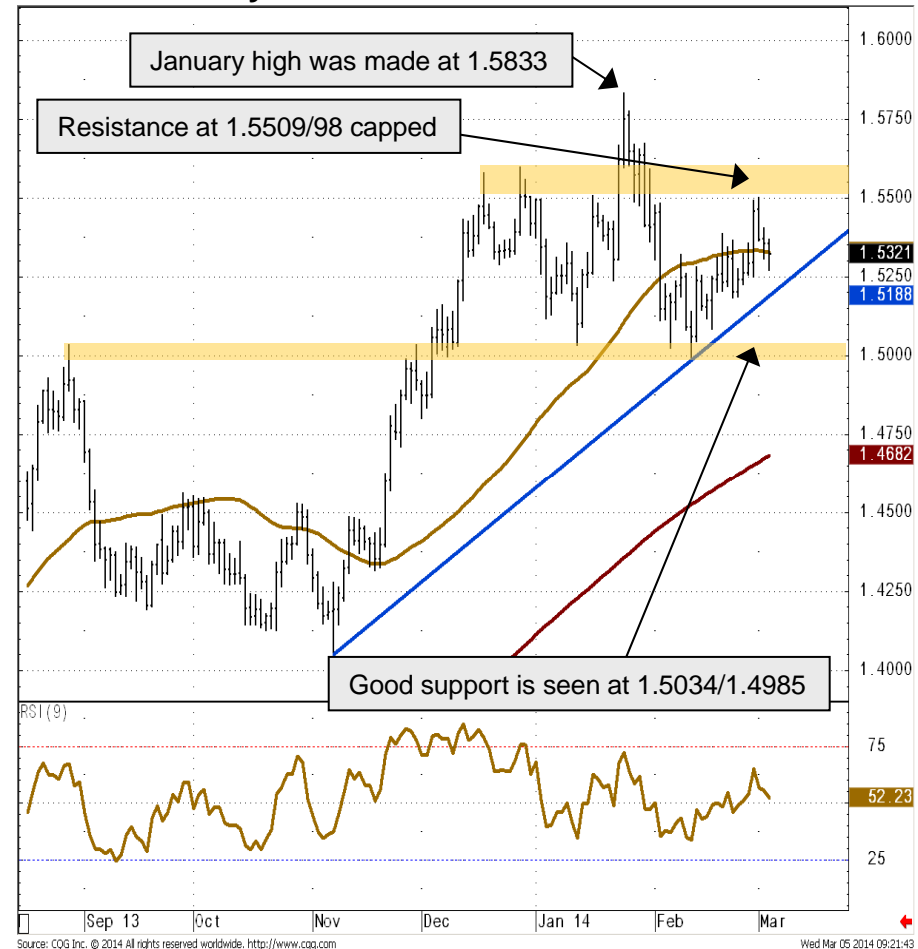
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EUR/AUD - Daily Chart

Continues to trade within the 1.5598/1.4985 band and thus stays sidelined

- › EUR/AUD's decline off the 1.5833 January high has taken it to the February low at 1.4985 from where it has so far bounced back to the 1.5501 level before slipping again.
- › We still expect to see range trading between the 1.5509/98 resistance zone, made up of the December peaks, and the 1.5034/1.4985 support area, consisting of the January and February lows and the August high.
- › The January peak at 1.5833 and our medium term 1.5926/1.6050 target zone will remain on the back burner as long as no daily close above 1.5598 has been made. It is where the February and June 2008 lows were made.
- › For now unexpected failure at 1.4985 would push the 1.4800 December low back to the fore. Below it sits the minor support zone at 1.4731/09 where the 61.8% Fibonacci retracement and the November 26 low are seen. These levels we do not expect to be hit any time soon.

EUR/AUD Daily Chart

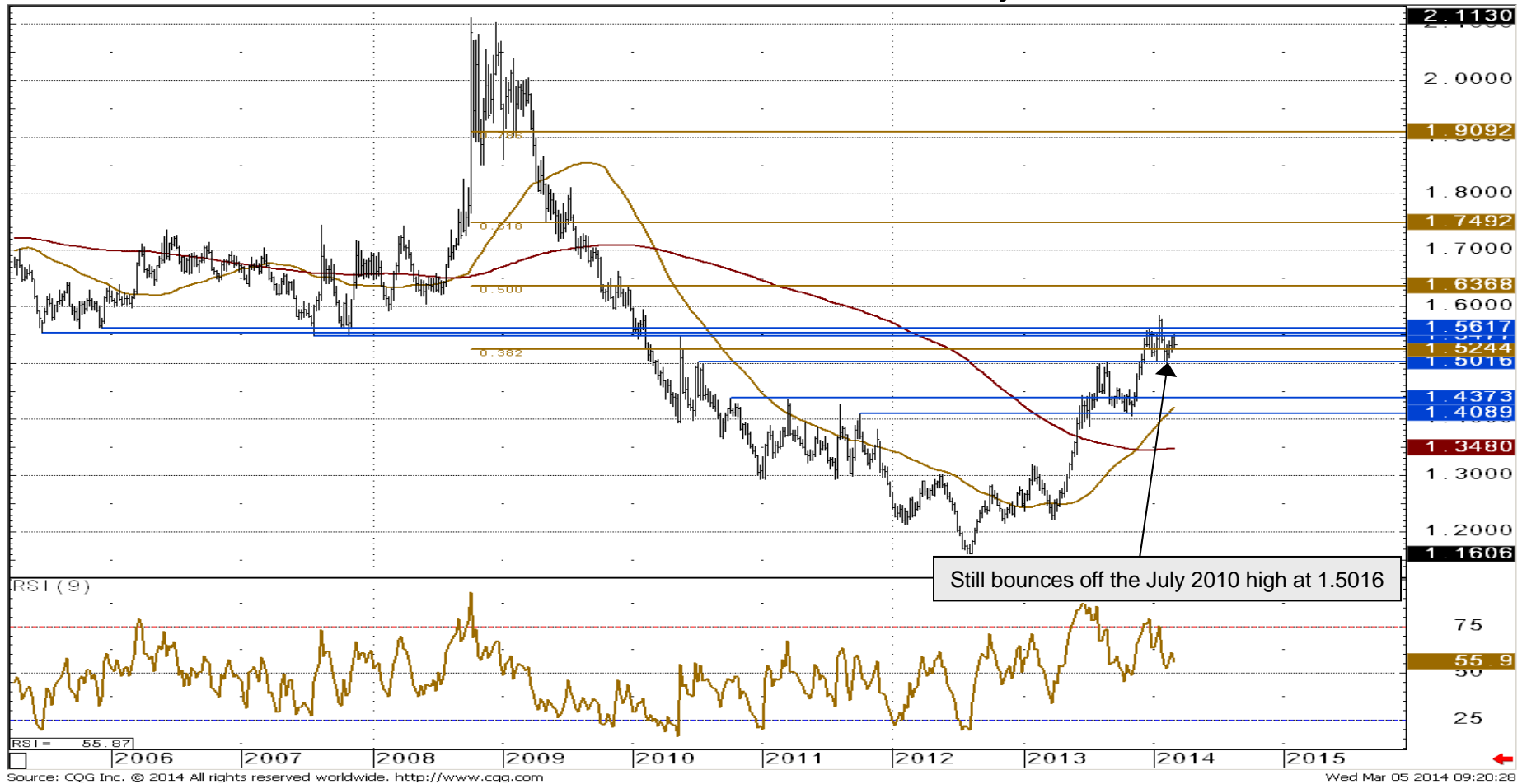


Support	Resistance	1-Week View	1-Month View
1.5188/16	1.5501/98	➔	➔
1.5031/1.4985	1.5675&1.5833		

EUR/AUD - Weekly Chart

Remains sidelined between the 1.5833 January high and 1.4985 February low

EUR/AUD Weekly Chart



EUR/NZD - Daily Chart

Drops back towards the 1.6304/1.6223 support area which we expect to once again hold

- › EUR/NZD is once again dropping towards the significant support area seen between the 55 week moving average, 2013-14 support line and the January and February lows at 1.6304/1.6223. This we expect to once again hold.
- › While this remains the case, the three month resistance line at 1.6626 should be revisited and then breached with the January peak at 1.6789 and also the December high at 1.6998 eventually being back in the picture.
- › Should a, for now, unexpected slip through the 1.6304/1.6223 support area be seen, the major 1.6072/1.5915 support zone would be targeted. It is made up of the September, October and November lows but should underpin again, if reached at all that is.
- › As stated above, we expect the 1.6223 January low to underpin, though, and for the currency pair to stay be sidelined for several more weeks.

EUR/NZD Daily Chart

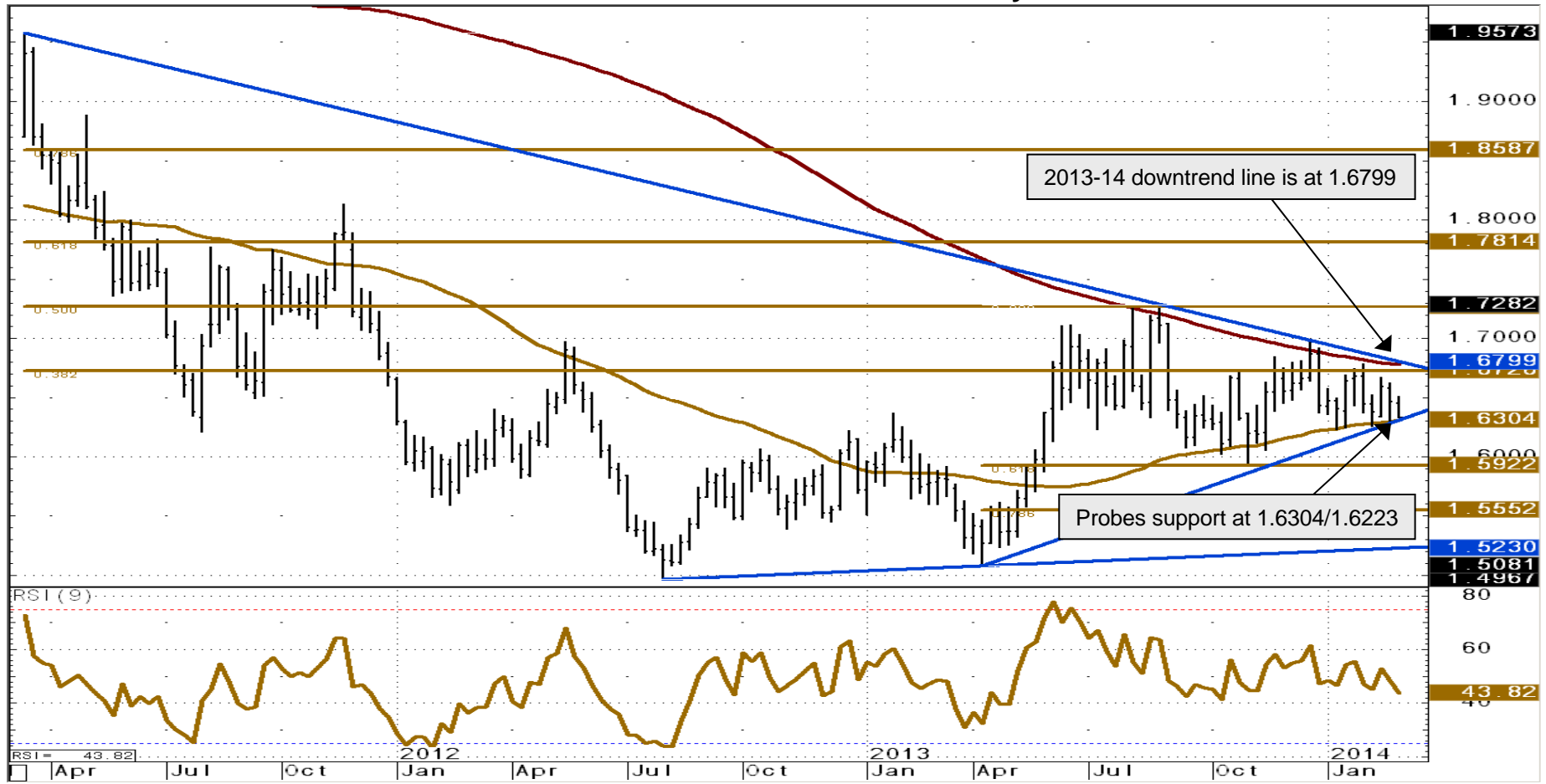


Support	Resistance	1-Week View	1-Month View
1.6304/1.6223	1.6512/20	➔	➔
1.6072/1.5915	1.6626/76		

EUR/NZD - Weekly Chart

Retests the 2013-14 support line and 55-moving average at 1.6304/1.6292

EUR/NZD Weekly Chart



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EUR/CAD - Daily Chart

Retests strong resistance at 1.5186/1.5467 but negative divergence could indicate failure there

- › Last week EUR/CAD made a new five year high, this time at 1.5396, right within the 1.5186/1.5467 resistance zone (early May, June, July and October 2009 lows and 61.8% Fibonacci retracement of the 2008-12 decline).
- › This resistance zone is likely to cap further in the days to come and we should also see a minor consolidation and a retest of the two month support line at 1.5172 unfold since the daily RSI is showing negative divergence.
- › The next lower 1.4942/1.4787 support zone (February lows, 55 day moving average, December high and January 20 low) we do not expect to be retested, though.
- › Once a daily close above 1.5467 has been made, the March 2007 high at 1.5686 should be bettered as well with the psychological 1.6000 region and the September 2009 high at 1.6099 then being targeted. We will retain our medium term bullish view while EUR/CAD stays above the January low at 1.4410.

EUR/CAD Daily Chart

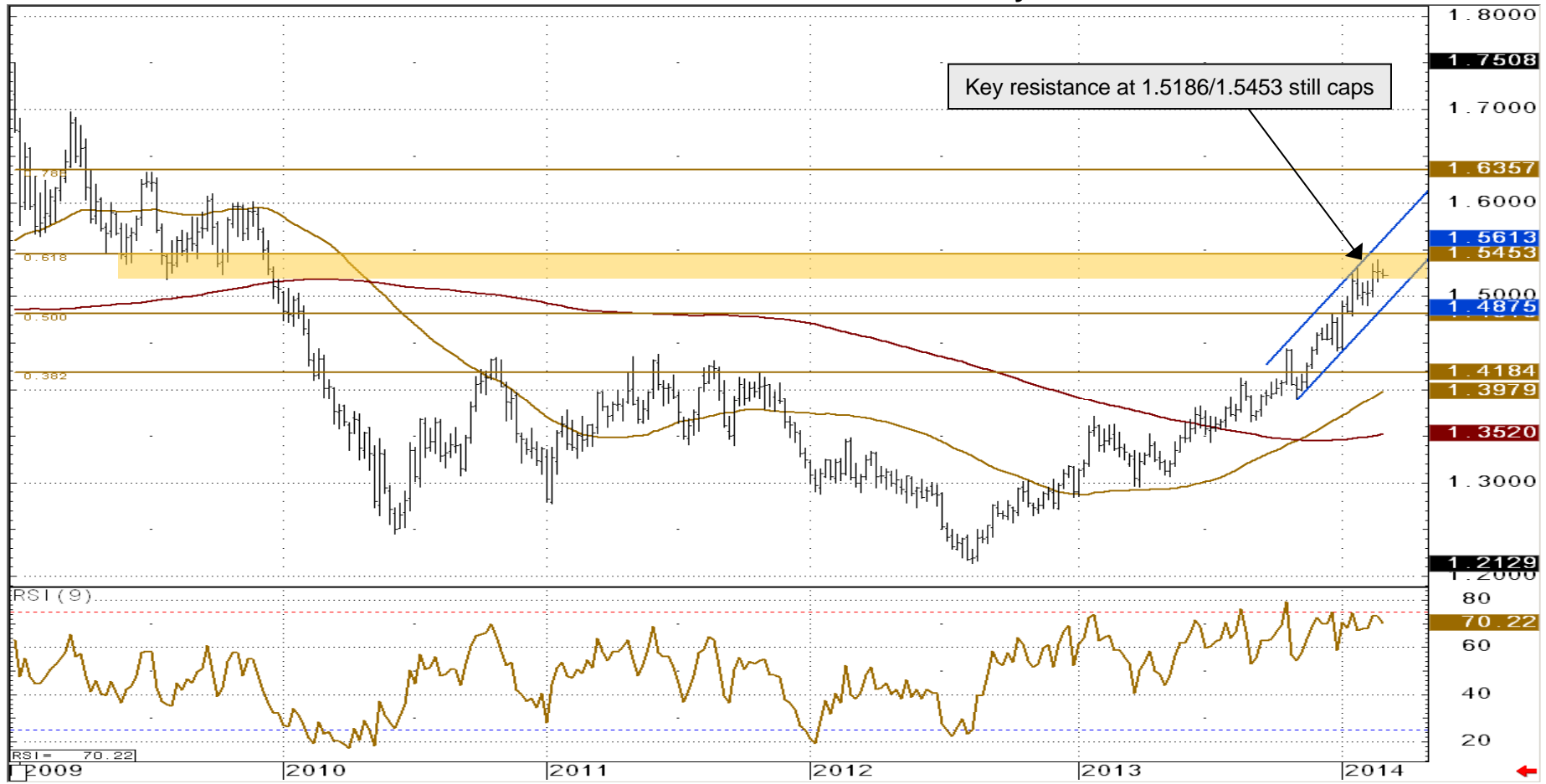


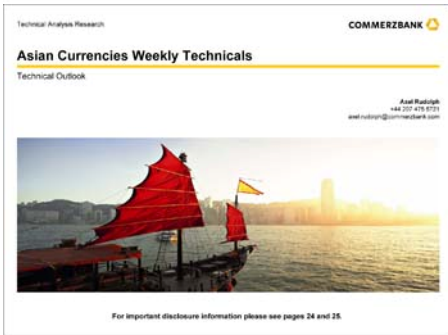
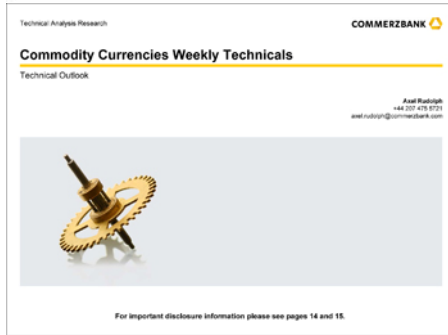
Support	Resistance	1-Week View	1-Month View
1.5160&1.5081	1.5308/1.5467	➔	➔
1.4992/08	1.5686&1.6000		

EUR/CAD - Weekly Chart

Still probes key resistance at 1.5186/1.5467

EUR/CAD Weekly Chart





Other technical analysis reports we publish are:

- Monday:** Daily Market Technicals (FX), FX Emerging Markets Technicals;
- Tuesday:** Daily Market Technicals (FX), Bullion Weekly Technicals, Commodity Weekly Technicals;
- Wednesday:** Daily Market Technicals (FX), Strategic Technical Themes;
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