

Commodity Currencies Weekly Technicals

Wednesday, 21 August 2013

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

Commodity currencies continue their depreciation versus the US Dollar and the Euro

Market	Short term view (1–3 weeks)
NZD/USD:	Has been rejected by this week's .8164 high and targets the .7693/83 support zone.
USD/CAD:	Tries to overcome the 1.0444 early August high and still targets the 1.0500 region.
EUR/AUD:	The 1.4996 current August high and 1.5016 July 2010 peak are expected to stall the advance.
EUR/NZD:	Rallies back towards the 1.7111/1.7261 resistance area which is expected to cap, though.
EUR/CAD:	Surge to the minor psychological 1.4000 level may turn out to be a false breakout to the upside.

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

Commodity currencies are once again losing ground versus the US Dollar

AUD-USD X-RATE (AUDUSD Curncy)

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

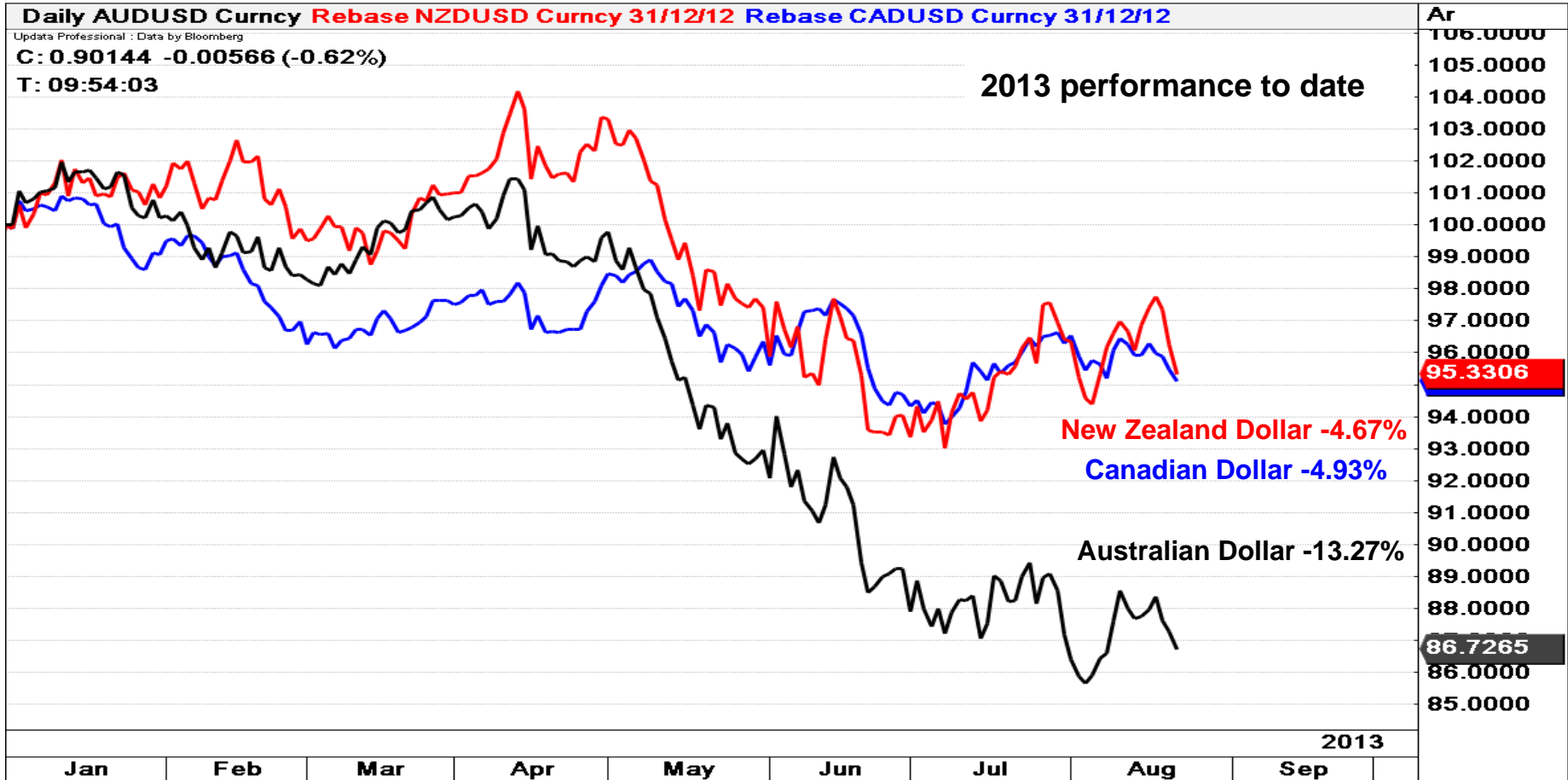
Update Professional : Data by Bloomberg

C: 0.90144 -0.00566 (-0.62%)

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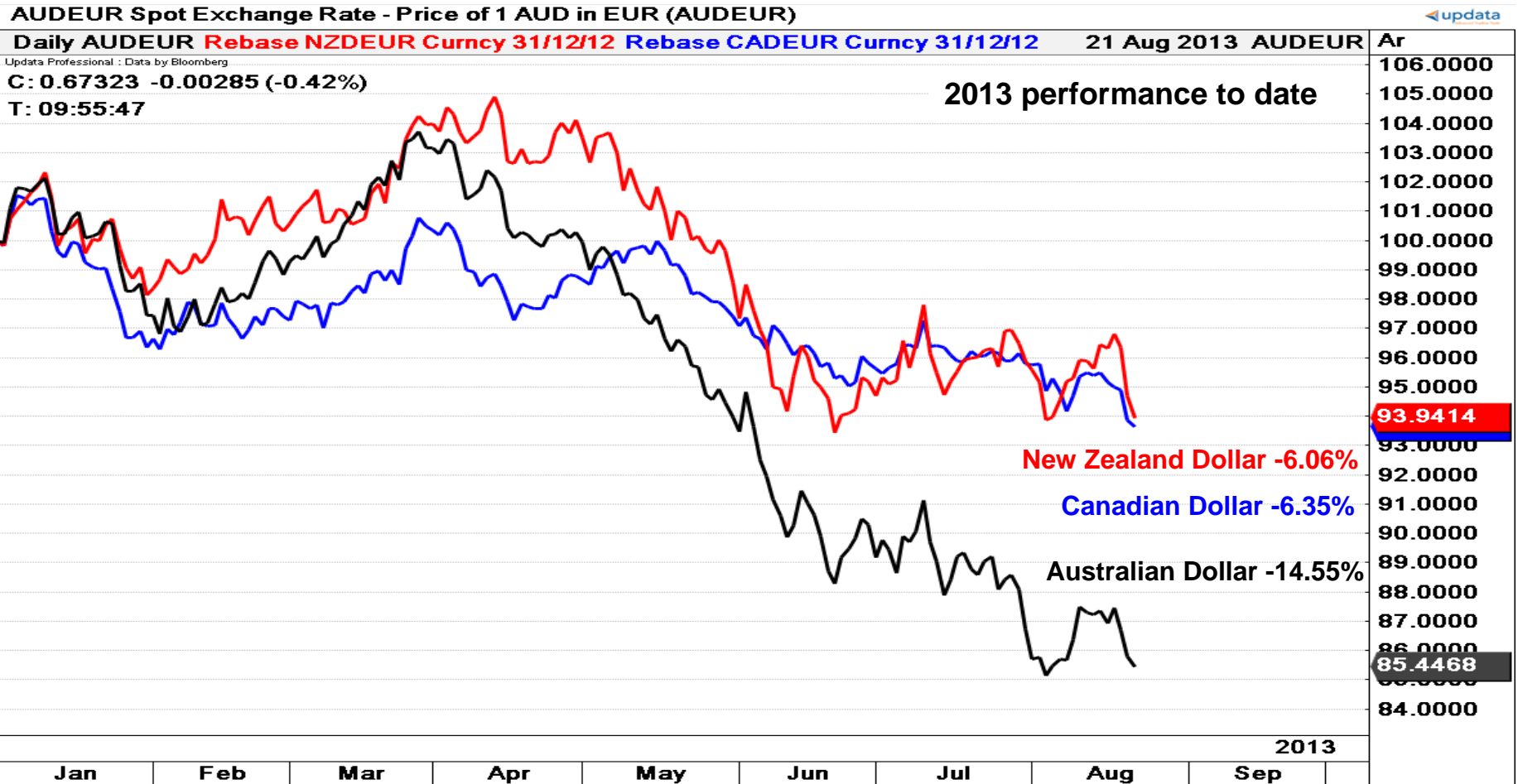
update

2013 performance to date



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

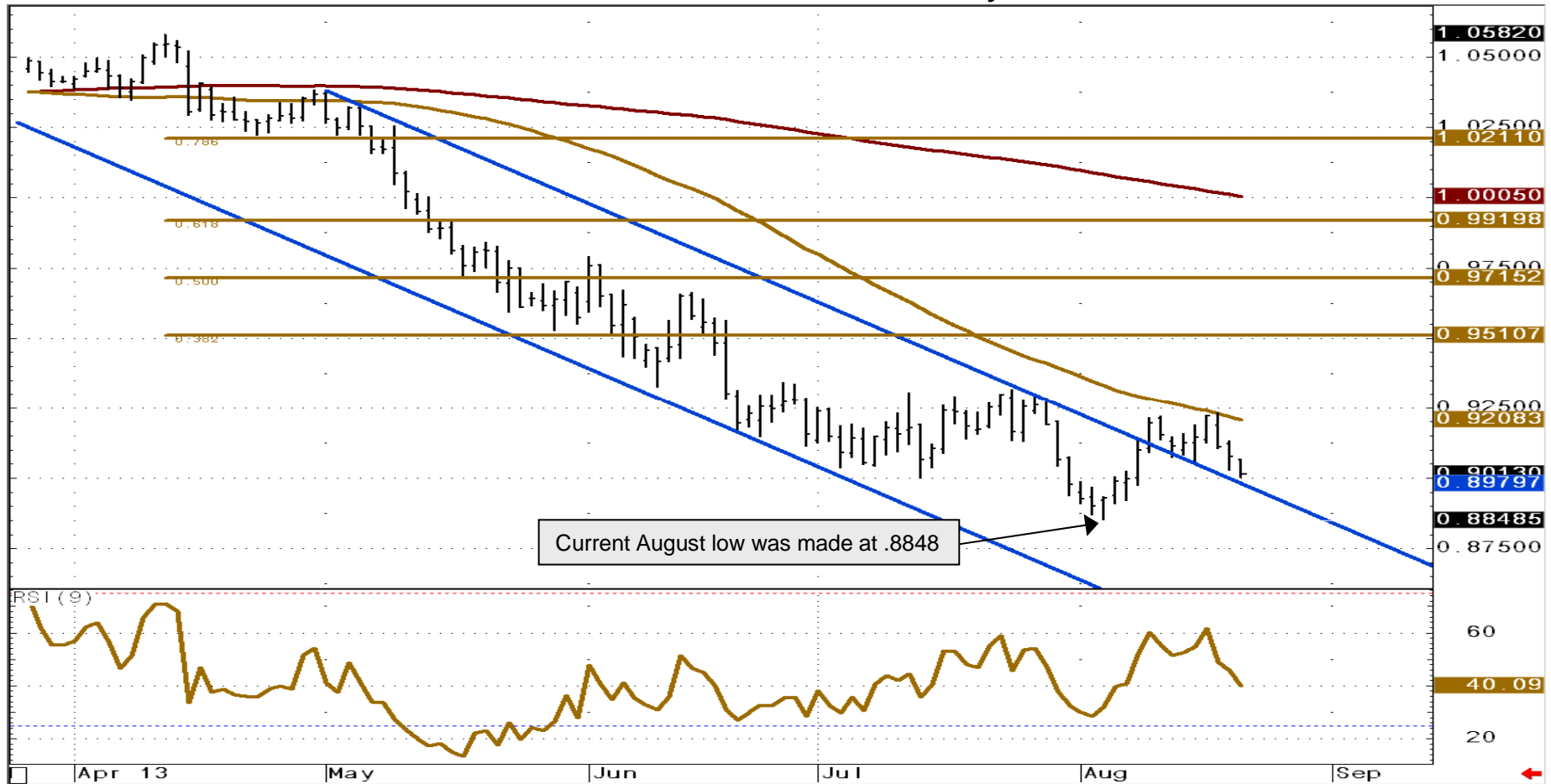
Commodity currencies are depreciating further versus the Euro



AUD/USD - Daily Chart

Please see comments in this morning's Daily Market Technicals

AUD/USD Daily Chart



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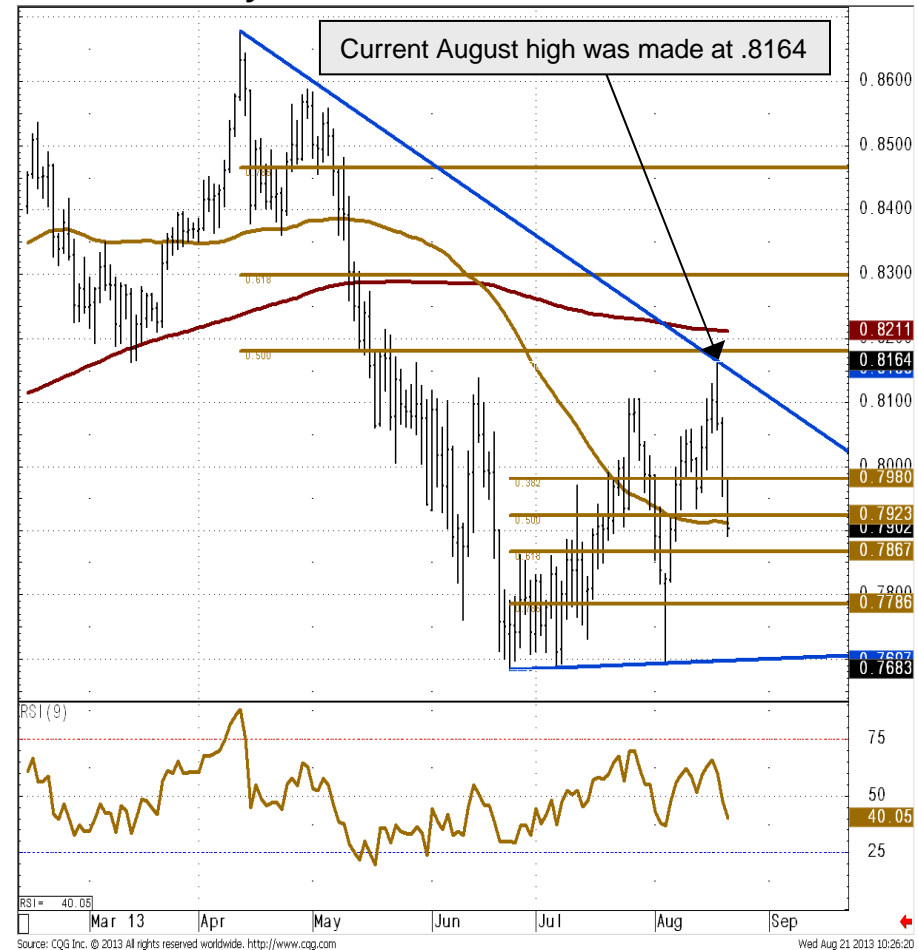
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NZD/USD - Daily Chart

Has been rejected by this week's .8164 high and targets the .7693/83 support zone

- › Last week NZD/USD briefly overcame the .8139 June peak but did not manage to make a daily close above it.
- › Therefore, even though a near three month high was made at .8164, we will retain our medium term bearish forecast while the currency pair remains below .8164.
- › Our medium term downside target zone is still made up of the .7456/.7371 May 2012 low and November 2011 low. These remain our downside targets for the months to come but will only be properly back on the map once the current August low at .7693 has been fallen through.
- › Immediate downside targets are the 61.8% Fibonacci retracement of the August rally at .7867, followed by the 78.6% retracement at .7786 and the June 11 low at .7760.
- › Minor resistance comes in around the 38.2% Fibonacci retracement at .7980 and significant resistance at the July and current August highs at .8107/64.

NZD/USD Daily Chart

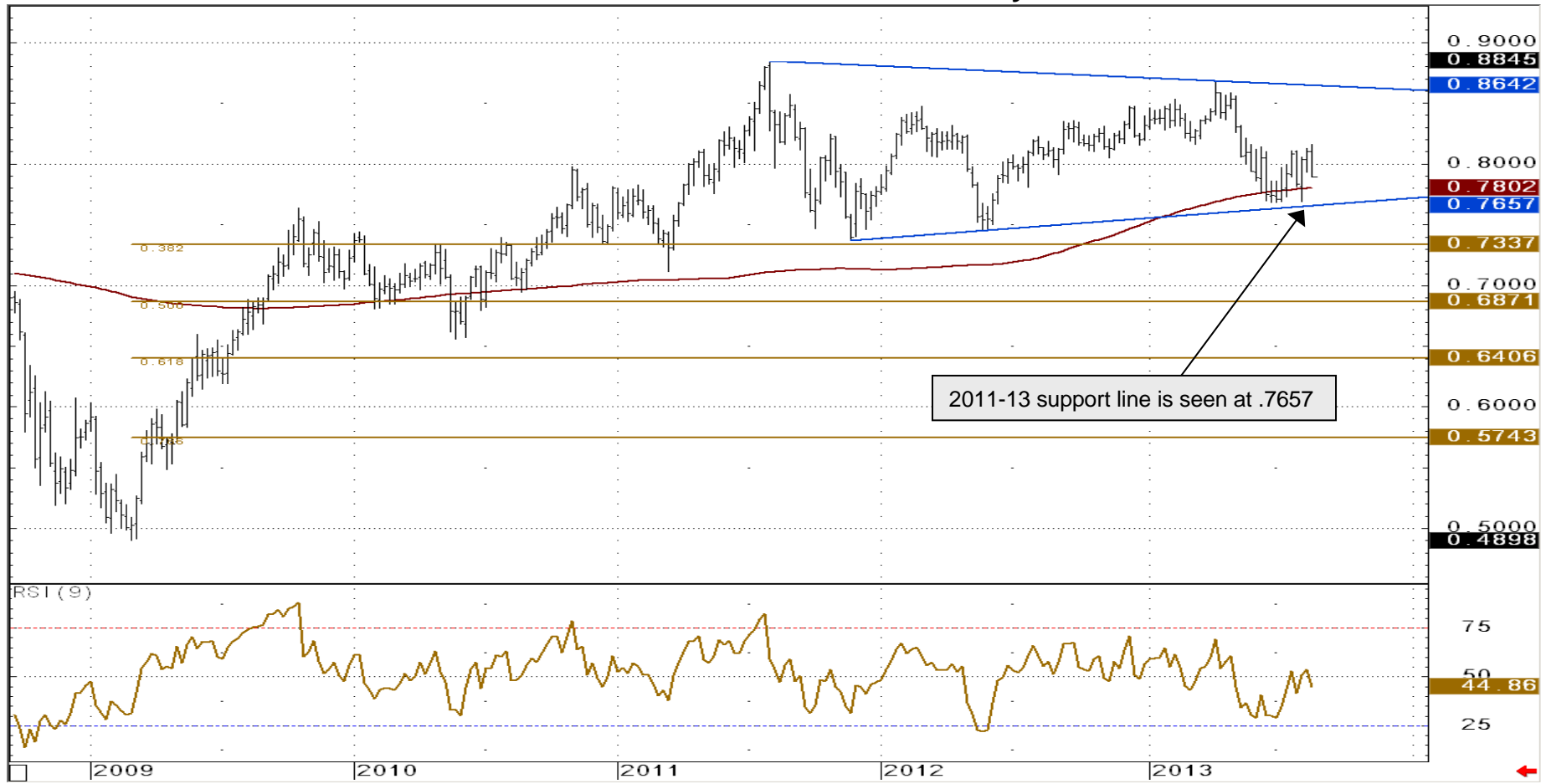


Support	Resistance	1-Week View	1-Month View
.7867&.7786	.7980&.8059	➔	➔
.7693/83	.8107/64		

NZD/USD - Weekly Chart

Drops towards the 200 week moving average at .7802

NZD/USD Weekly Chart



2011-13 support line is seen at .7657

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USD/CAD - Daily Chart

Tries to overcome the 1.0444 early August high and still targets the 1.0500 region

- › USD/CAD is currently trying to rise above the 1.0442/44 mid-July and early August highs.
- › Once it has managed to do so, the 61.8% Fibonacci retracement of the July decline at 1.0470 and then the minor psychological 1.0500 level will be in focus.
- › Further up lurks the 1.0656/75 resistance area (July and August 2010 highs and the 2011 peak) which will be targeted once the July high at 1.0608 has been overcome on a daily chart closing basis.
- › Another potential longer term upside target can be seen around the 2010 peak at 1.0850, made in May of that year.
- › Only unexpected failure at the 1.0247 July low would void our forecast and lead to the 2012-13 support line at 1.0148 being eyed instead. This we do not expect to happen.
- › Support is around the 55 day moving average at 1.0362.

Support	Resistance	1-Week View	1-Month View
1.0385/62	1.0470/1.0500	➔	➔
1.0305&1.0247	1.0531/1.0608		

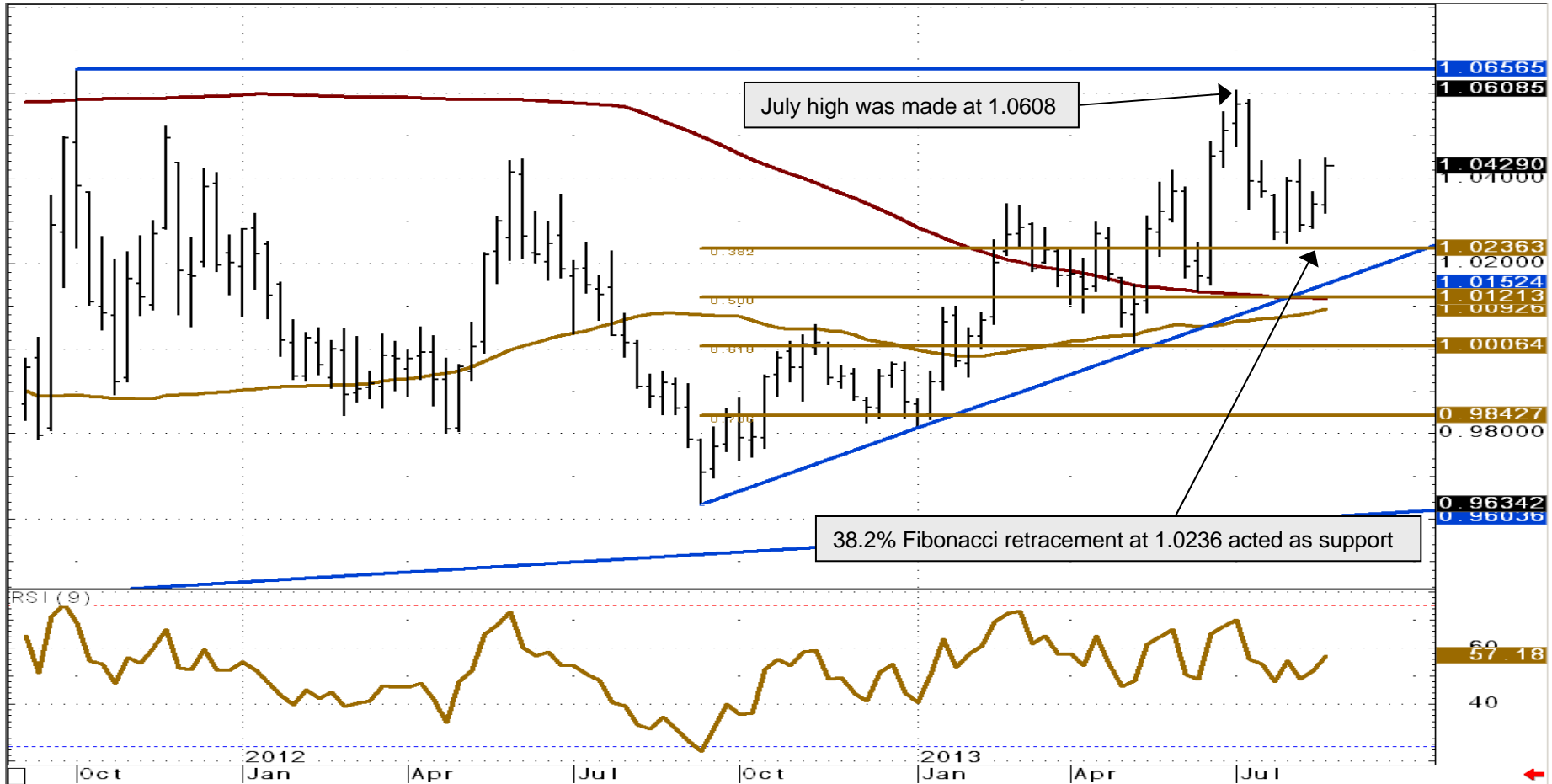
USD/CAD Daily Chart



USD/CAD - Weekly Chart

Recovery from the 38.2% Fibonacci retracement at 1.0236 is ongoing

USD/CAD Weekly Chart



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EUR/AUD - Daily Chart

The 1.4996 current August high and 1.5016 July 2010 peak are expected to stall the advance

- › EUR/AUD's recent slide from its near three year high at 1.4996 took it to 1.4443 before it shot back up again.
- › Despite this week's rally we do not expect to see a daily New York close above the 1.4996 level and the July 2010 high at 1.5016 being made.
- › As long as the 1.5016 level caps, a slip back to the 1.4478/1.4397 support area should soon be seen. It is where the June and early as well as mid-July highs were made. Together with the five month support line at 1.4290 it should underpin EUR/AUD in the weeks ahead.
- › Only if a daily chart close above 1.5016 were to be made, would the May 2010 peak at 1.5463 be targeted.
- › Expect to see renewed consolidation over the next few days and weeks.

EUR/AUD Daily Chart



Support	Resistance	1-Week View	1-Month View
1.4478/1.4397	1.4996/1.5016	➔	➔
1.4335/1.4290	1.5463/1.5500		

EUR/AUD - Weekly Chart

While staying below the 1.5016 July 2010 high the 1.4373 October 2010 high is to be retested

EUR/AUD Weekly Chart



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EUR/NZD - Daily Chart

Rallies back towards the 1.7111/1.7261 resistance area which is expected to cap, though

- › Last week's decline in EUR/NZD stopped just short of the two month support line at 1.6317 before rallying strongly this week.
- › Despite the recent swift advance we expect the June and current August highs at 1.7111/1.7261 to cap. Within this resistance area the 200 week moving average and 50% retracement of the 2011-12 decline can also be found.
- › Provided that things pan out as expected, the two month support line at 1.6317 and the 1.6229 July low should be fallen through in the weeks to come.
- › While EUR/NZD stays above the July low at 1.6229 on a daily chart closing basis, however, the medium term up trend remains intact.
- › If not, a major top will have been formed with a slip back towards the 200 day moving average at 1.5996 then being on the cards.

EUR/NZD Daily Chart



Support	Resistance	1-Week View	1-Month View
1.6677&1.6396	1.7111/1.7261	➔	➔
1.6317/1.6229	1.7752/1.7814		

EUR/NZD - Weekly Chart

The 200 day moving average and 50% retracement at 1.7224/39 should continue to cap

EUR/NZD Weekly Chart



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EUR/CAD - Daily Chart

Surge to the minor psychological 1.4000 level may turn out to be a false breakout to the upside

- › EUR/CAD's brief consolidation ended last week at the four month support line before it shot back up to 1.4000.
- › We do not trust this latest advance, however, and believe that a false breakout higher is currently being made with the 1.3818 June high soon expected to be retested.
- › Having said that, only a drop through last week's low at 1.3664, would mean that an interim top has been made.
- › Only then will the current August low at 1.3600 be back in the picture. Should it be fallen through, the 1.3431 July low will be targeted.
- › While trading above this level our medium and long term bullish forecasts will remain valid, however.
- › At present we have to allow for a rise to above the 1.4000 level in which case the November 2011 high at 1.4076 will be in focus. Above it is the 1.4176 October 2011 high.

EUR/CAD Daily Chart

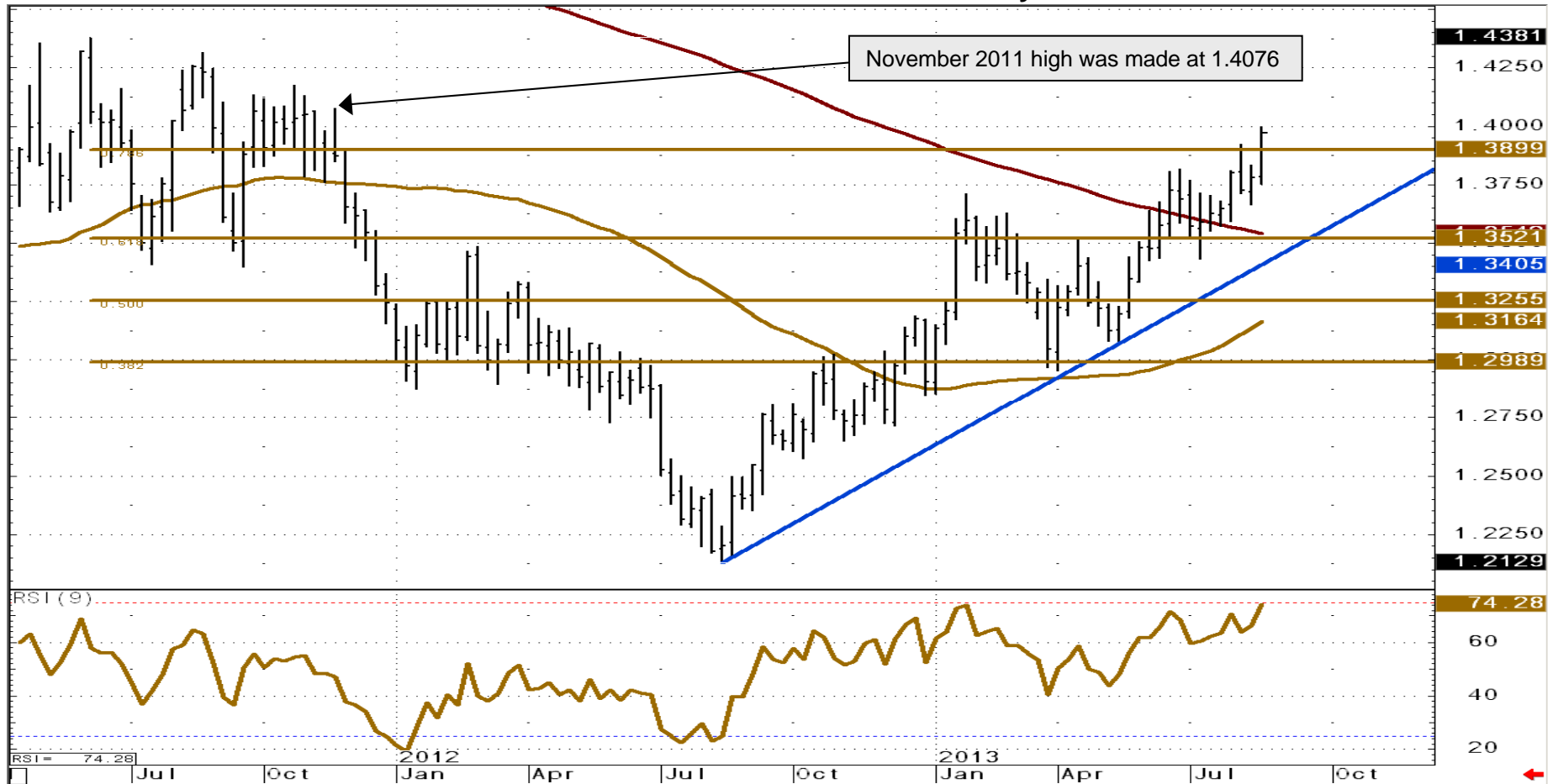


Support	Resistance	1-Week View	1-Month View
1.3818&1.3770	1.4000&1.4076	➔	➔
1.3700&1.3664	1.4176&1.4315		

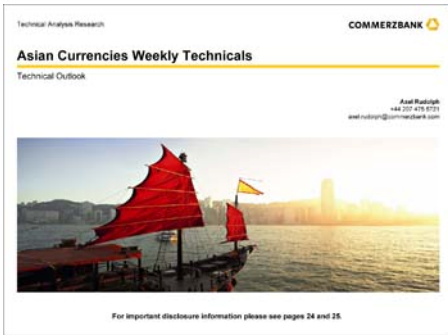
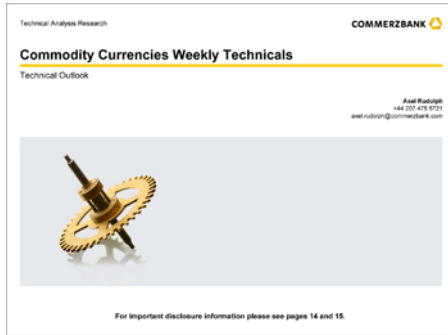
EUR/CAD - Weekly Chart

Flirts with the 1.4000 region; resistance above it is around the 1.4076 November 2011 high

EUR/CAD Weekly Chart



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