

Commodity Currencies Weekly Technicals


Wednesday, 30 October 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 </p>	<p>2 Technical Analysis Commerzbank</p> <p>Source: Euromoney FX Survey 2013</p> <p>2013 </p>
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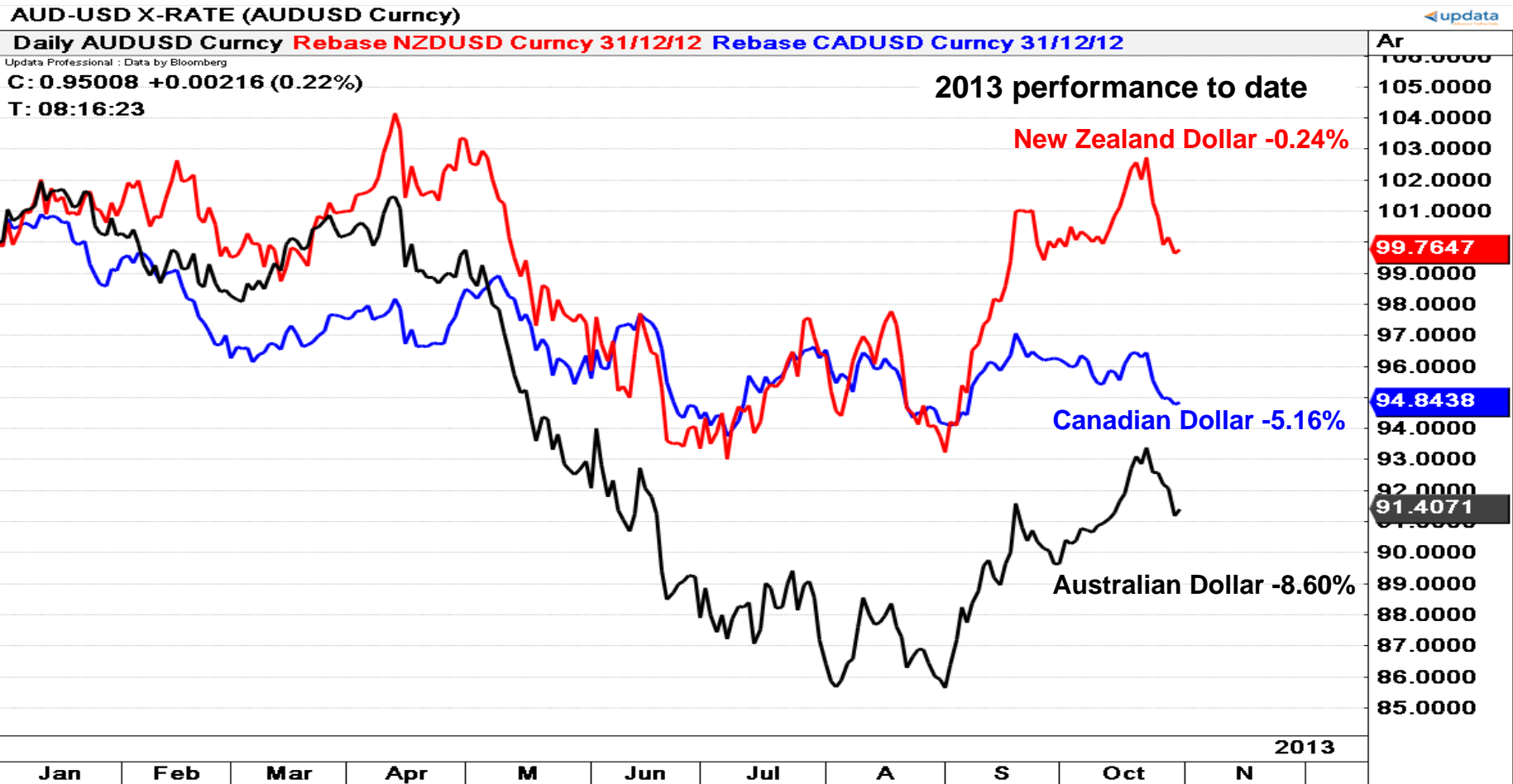
Technical Outlook

Commodity currencies continue to depreciate vs. the US Dollar and Euro but near support zones

Market	Short term view (1–3 weeks)
NZD/USD:	Probes the significant .8232/.8106 support zone where it is likely to level out this week.
USD/CAD:	Nears the 1.0486/1.0512 resistance line while on its way to the 1.0608 July high.
EUR/AUD:	Nears resistance at 1.4562/79 which could once again cap the currency pair.
EUR/NZD:	Reached our upside target zone around the 1.6650 level where upside momentum diminishes.
EUR/CAD:	Current advance could stall in the 1.4500 region; if not expect the 1.4723/1.4814 area to be hit.

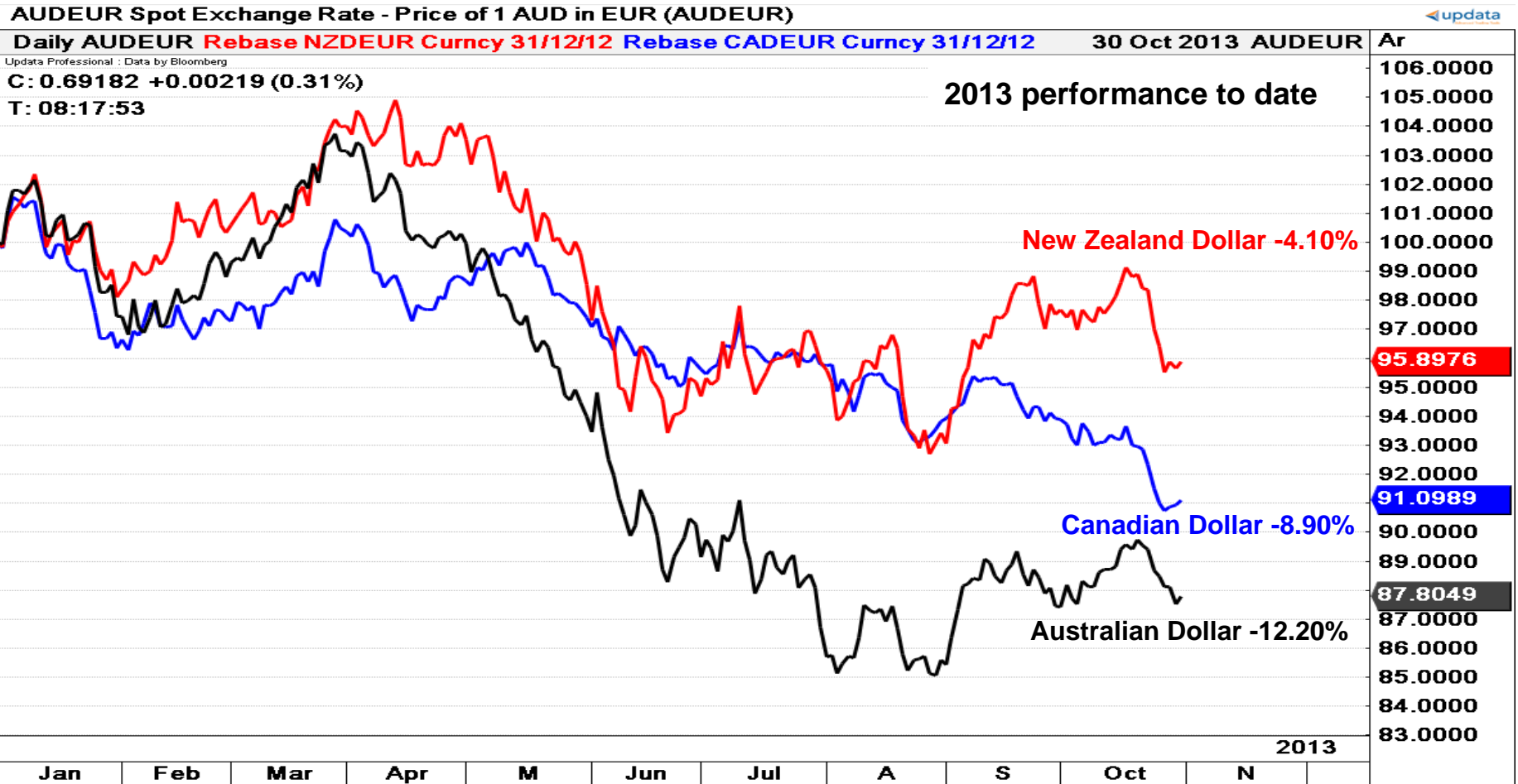
The Australian, New Zealand and Canadian Dollar vs. the US Dollar

Commodity currencies continue to depreciate versus the US Dollar



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

Commodity currencies continue to drop versus the Euro



AUD/USD - Daily Chart

Please see comments in this morning's Daily Market Technicals

AUD/USD Daily Chart



NZD/USD - Daily Chart

Probes the significant .8232/.8106 support zone where it is likely to level out this week

- > NZD/USD continues to come off the .8500 region and currently probes the .8232/.8106 significant support zone. It is where the October lows, 200 day moving average and the August peak as well as the July high are to be found. Here the currency pair should level out in the days to come.
- > Only a drop through and daily close below the .8106 level will point to a reversal being formed with the .7800/.7683 region then being back in the picture.
- > Minor resistance can be seen around the .8352 early October high and more important resistance at the .8437 September peak.
- > In case of an unexpected rise above the current October high at .8545 being seen, the .8588 late April high and the 2011-13 resistance line at .8623 could also be reached. This we do not expect to happen at the moment, though.

NZD/USD Daily Chart

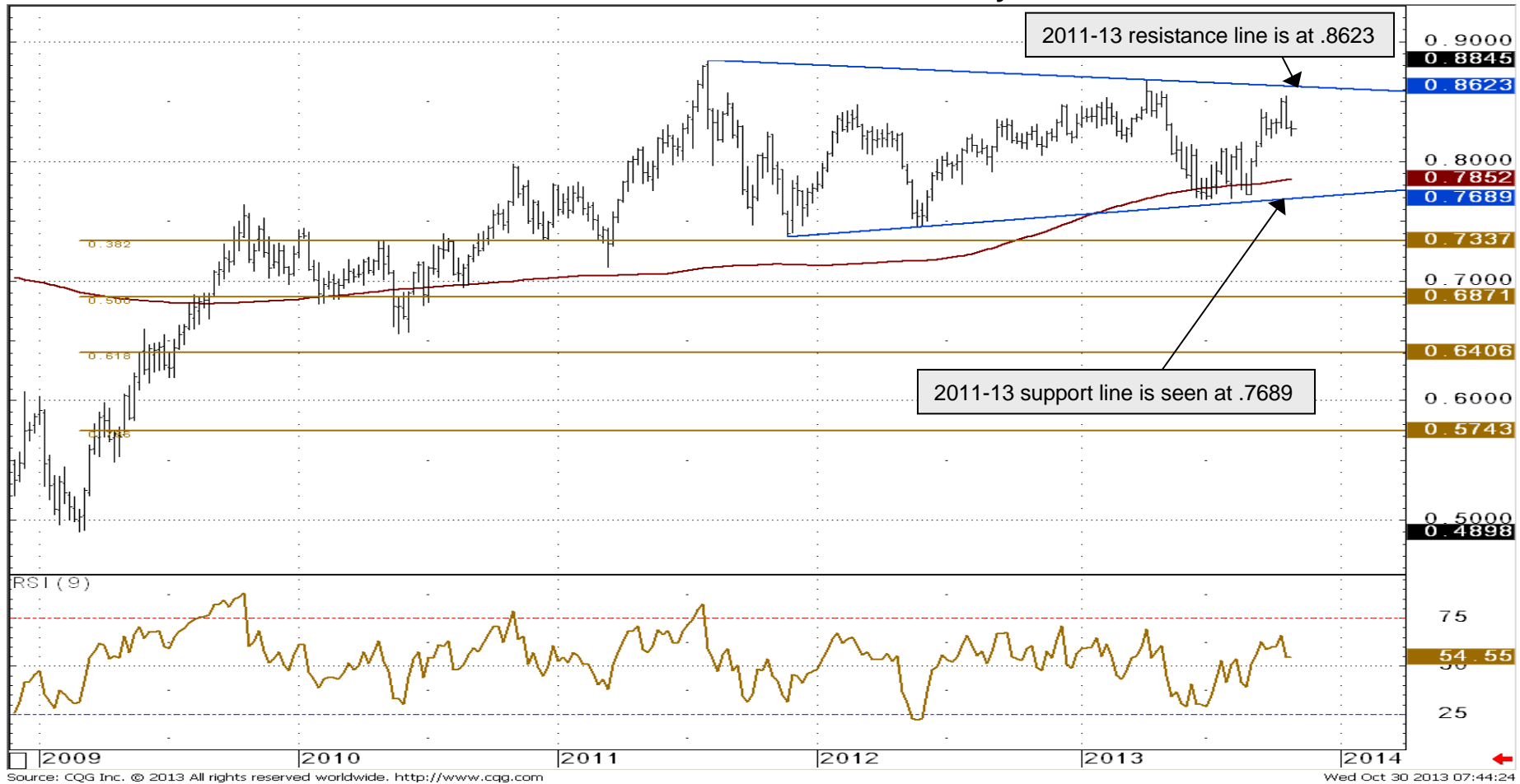


Support	Resistance	1-Week View	1-Month View
.8232/.8106	.8352&.8437	➔	➔
.8059/12	.8527/88		

NZD/USD - Weekly Chart

Seems to have failed slightly below the 2011-13 resistance line at .8623

NZD/USD Weekly Chart



USD/CAD - Daily Chart

Nears the 1.0486/1.0512 resistance line while on its way to the 1.0608 July high

- › USD/CAD's recent rally has so far projected it close to the 1.0486/1.0512 resistance zone which is made up of the 78.6% Fibonacci retracement of the July-to-September decline and the four month resistance line. In this region upside momentum may diminish over the next few days.
- › Once a daily chart close above 1.0512 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. Good support is at 1.0279/1.0185.

USD/CAD Daily Chart

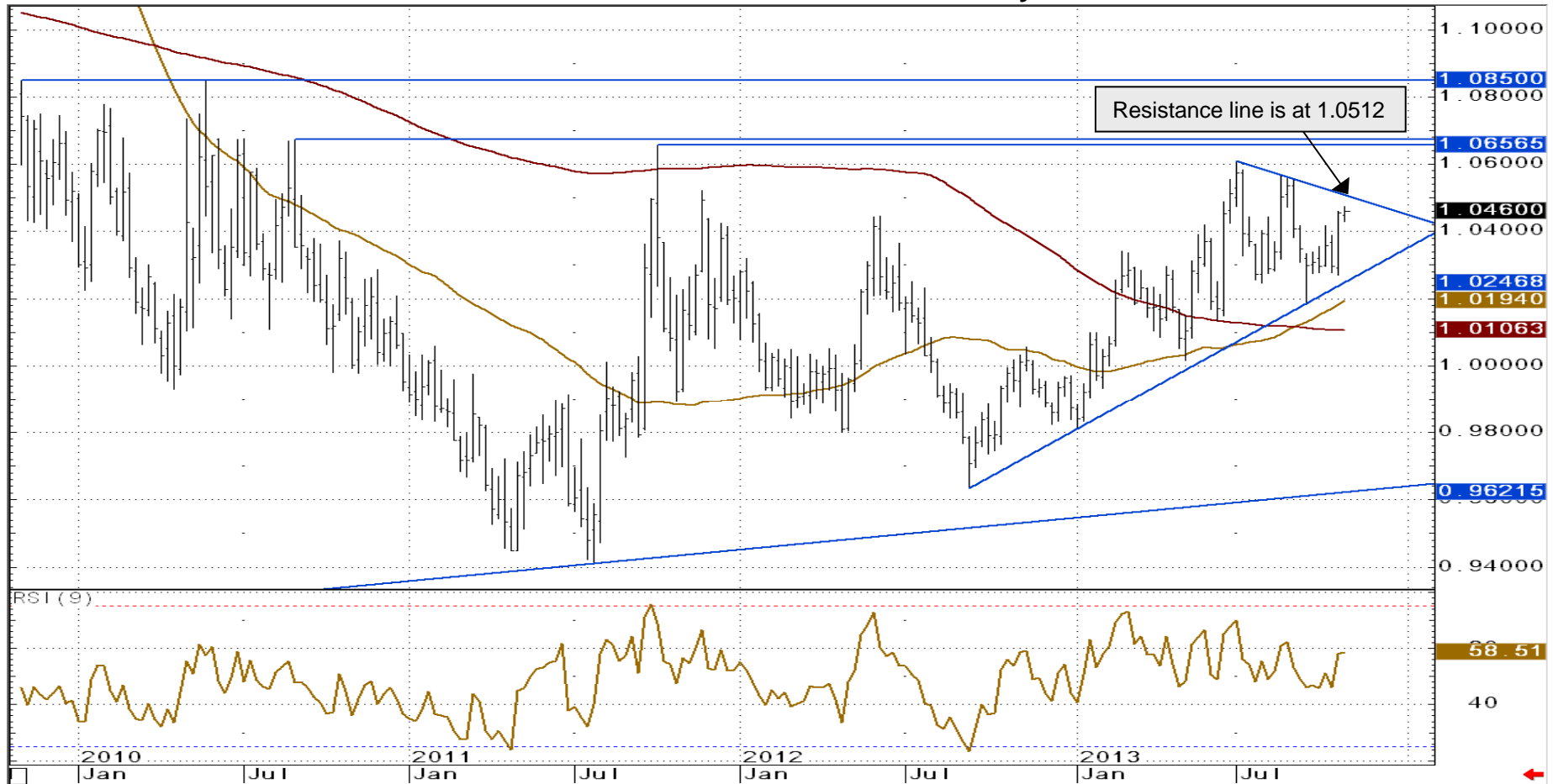


Support	Resistance	1-Week View	1-Month View
1.0418&1.0379	1.0486/1.0512	➔	➔
1.0355/43	1.0558/68		

USD/CAD - Weekly Chart

Nears the resistance line at 1.0512 and still targets the 1.0608/76 region

USD/CAD Weekly Chart



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EUR/AUD - Daily Chart

Nears resistance at 1.4562/79 which could once again cap the currency pair

- › EUR/AUD's bounce off the October 2011 peak at 1.4089 is ongoing with it getting ever closer to the late September high at 1.4562 and the 50% retracement of the August-to-October slide at 1.4579. In this resistance area it may be capped this or next week.
- › Further minor resistance can be seen between the 61.8% and 78.6% Fibonacci retracement levels at 1.4687/1.4839.
- › Please note that 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, however.

EUR/AUD Daily Chart

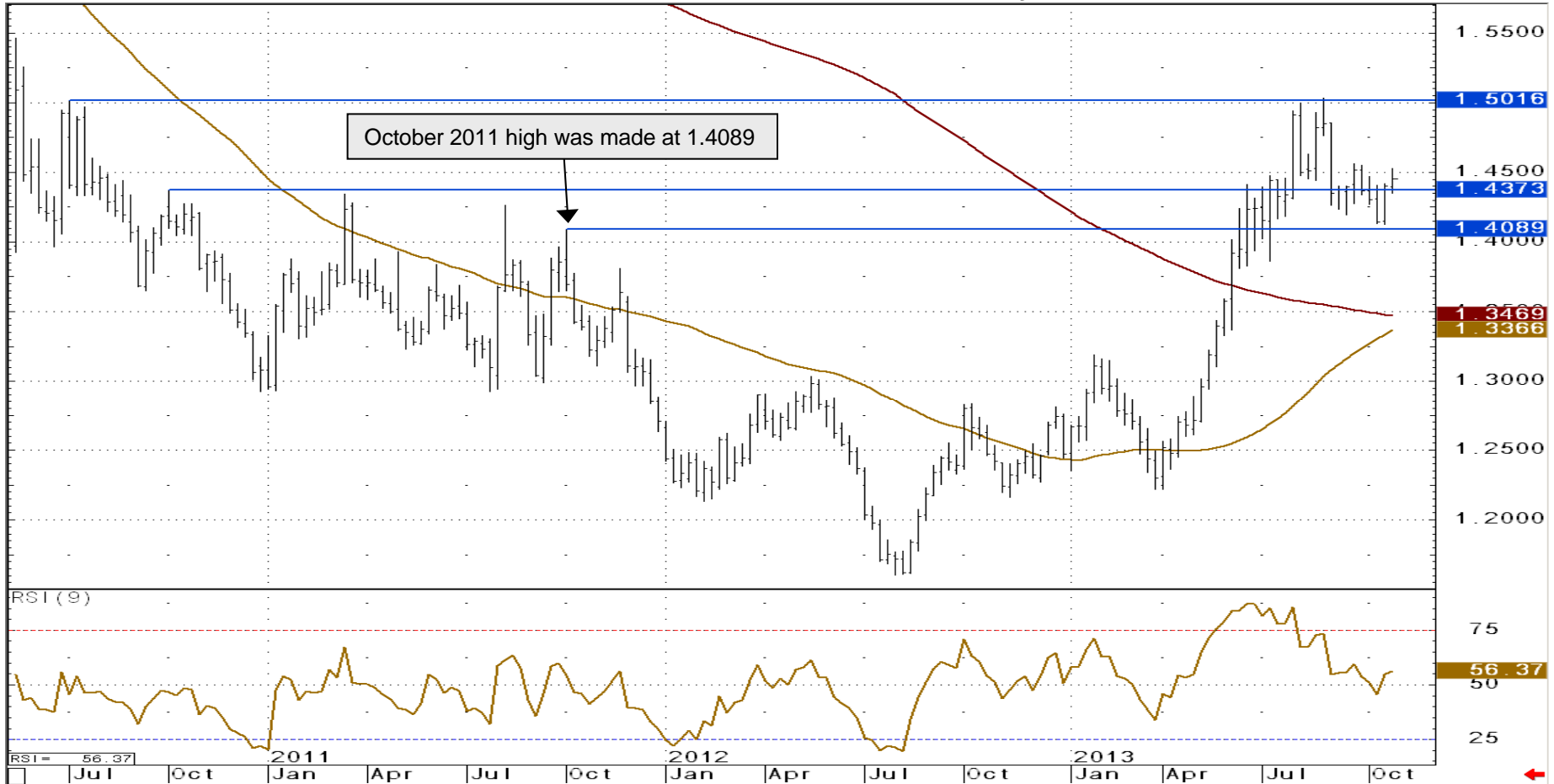


Support	Resistance	1-Week View	1-Month View
1.4359&1.4200	1.4562/79	➔	➡
1.4125&1.4000	1.4687&1.4839		

EUR/AUD - Weekly Chart

Bounces off the October 2011 peak at 1.4089

EUR/AUD Weekly Chart



EUR/NZD - Daily Chart

Reached our upside target zone around the 1.6650 level where upside momentum diminishes

- › EUR/NZD's recent advance has so far taken it to 1.6724, to slightly above the 50% retracement of the August-to-October decline which was our upside target last week.
- › Even though upside momentum seems to be on the wane we have to allow for the 61.8% Fibonacci retracement at 1.6800 to perhaps also be reached before renewed selling pressure takes the upper hand.
- › We will retain our medium term bearish outlook while EUR/NZD stays below the 1.7111/1.7282 major resistance area which is comprised of the June and August highs.
- › Minor support is currently seen between the 1.6520 early October high and the 55 day moving average at 1.6489.
- › Strong support comes in between the 200 day moving average at 1.6168 and the October low at 1.6019.

EUR/NZD Daily Chart

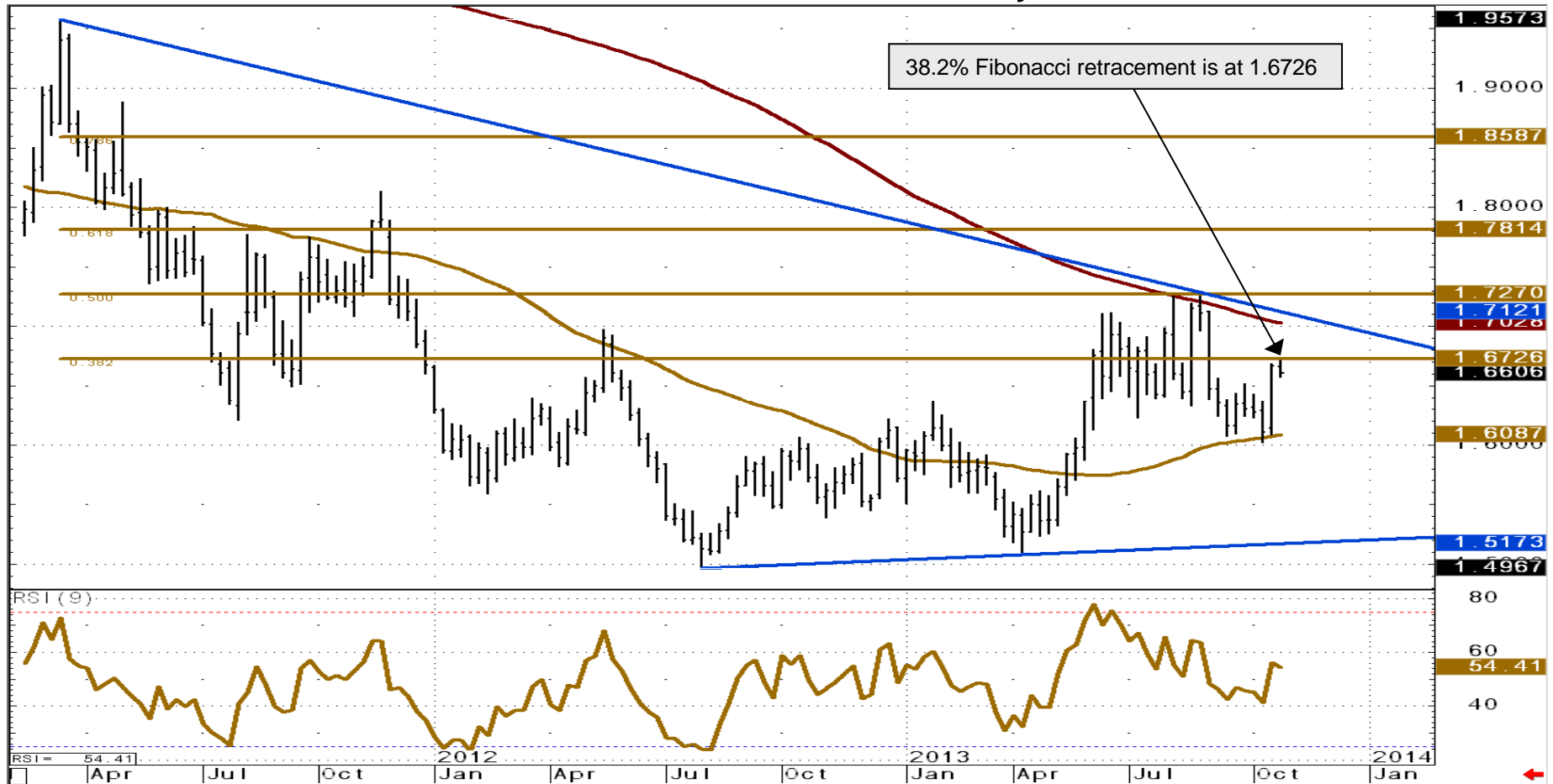


Support	Resistance	1-Week View	1-Month View
1.6520/1.6489	1.6800&1.6917	➔	➡
1.6168/1.6019	1.7012&1.7116		

EUR/NZD - Weekly Chart

Has reached the 38.2% Fibonacci retracement at 1.6726 which caps

EUR/NZD Weekly Chart



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EUR/CAD - Daily Chart

Current advance could stall in the 1.4500 region; if not expect the 1.4723/1.4814 area to be hit

- › EUR/CAD's has so far exceeded the 1.4315 August 2011 high and risen to 1.4443 before stalling.
- › We would not be surprised if the currency pair's rise were to level out in the 1.4500 zone.
- › Should this not be the case, we will have to allow for the October 2008 low at 1.4723 and the 200 month moving average at 1.4814 to be reached (please see the monthly chart on page 15).
- › Even though we stated last week that we would “keep our medium term neutral forecast as long as no daily chart close above the 1.4315 August 2011 peak” were to be made, we do not feel comfortable changing our medium term neutral outlook to a bullish one this week. We would first like to see what EUR/CAD will be doing in the week ahead.
- › Good support is now seen around the 1.4128 August high.

EUR/CAD Daily Chart



Support	Resistance	1-Week View	1-Month View
1.4128/16	1.4315&1.4500	➔	➔
1.3997/17	1.4813&1.5000		

EUR/CAD - Weekly Chart

Has overcome the 1.4176/1.4315 resistance zone and targets the October 2008 low at 1.4723

EUR/CAD Weekly Chart



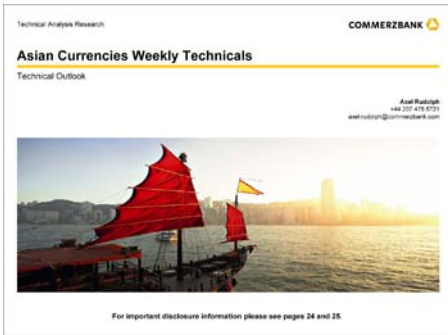
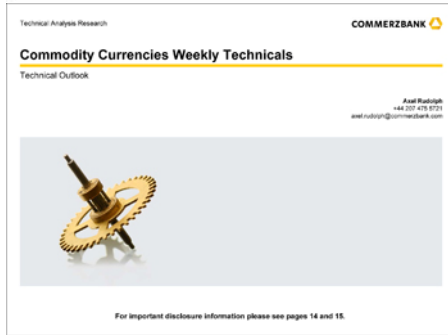
EUR/CAD - Monthly Chart

The 200 month moving average at 1.4814 is a potential long term upside target

EUR/CAD Monthly Chart



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