

Commodity Currencies Weekly Technicals

Wednesday, 22 January 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  the technical analyst</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 have hit key levels and are consolidating versus the Euro and US Dollar

Market	Short term view (1–3 weeks)
NZD/USD:	Still oscillates between the .8408/37 resistance area and the .8213/.8084 support zone.
AUD/NZD:	Is holding at major long term support at 1.0650/1.0501.
USD/CAD:	Negative divergence around the 1.1000 mark points to at least upside momentum slowing down.
EUR/AUD:	Still meanders between the 1.5034/1.4996 support area and the 1.5509/98 resistance zone.
EUR/NZD:	Tests the 1.6231/15 support zone, a slip through which will target the 1.6147/1.6019 region.
EUR/CAD:	Comes off the psychological 1.5000 level and consolidates but still targets the 1.5186/1.5453 zone.

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

The Canadian Dollar seems to have found interim support versus the US Dollar

AUD-USD X-RATE (AUDUSD Curncy)

 update

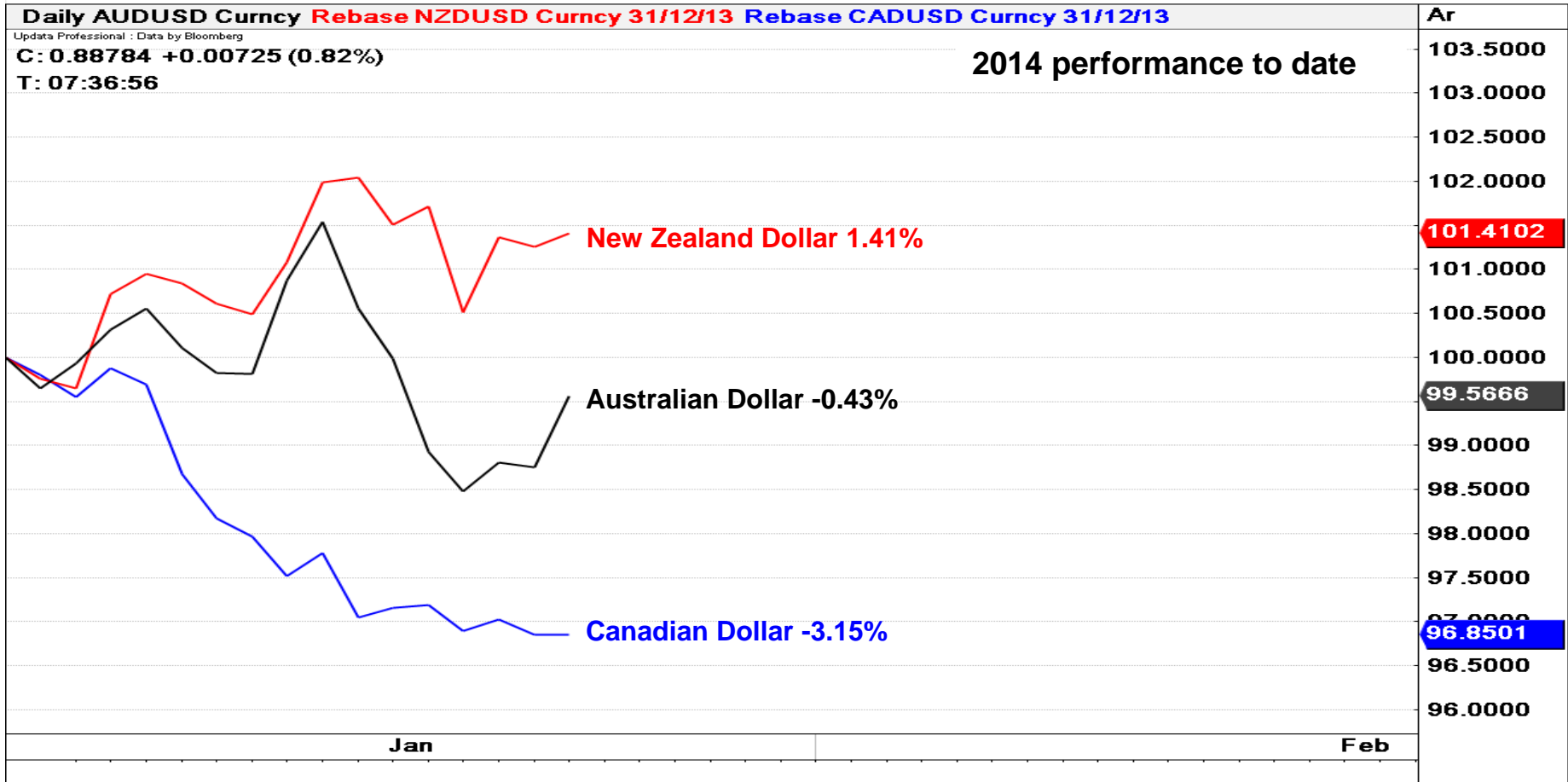
Daily AUDUSD Curncy **Rebase NZDUSD Curncy 31/12/13** **Rebase CADUSD Curncy 31/12/13**

Update Professional : Data by Bloomberg

C: 0.88784 +0.00725 (0.82%)

T: 07:36:56

2014 performance to date



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

Most commodity currencies are making back some of their recent losses versus the Euro

AUDEUR Spot Exchange Rate - Price of 1 AUD in EUR (AUDEUR Currency)

Daily AUDEUR Currency **Rebase NZDEUR Currency 31/12/13** **Rebase CADEUR Currency 31/12/13**

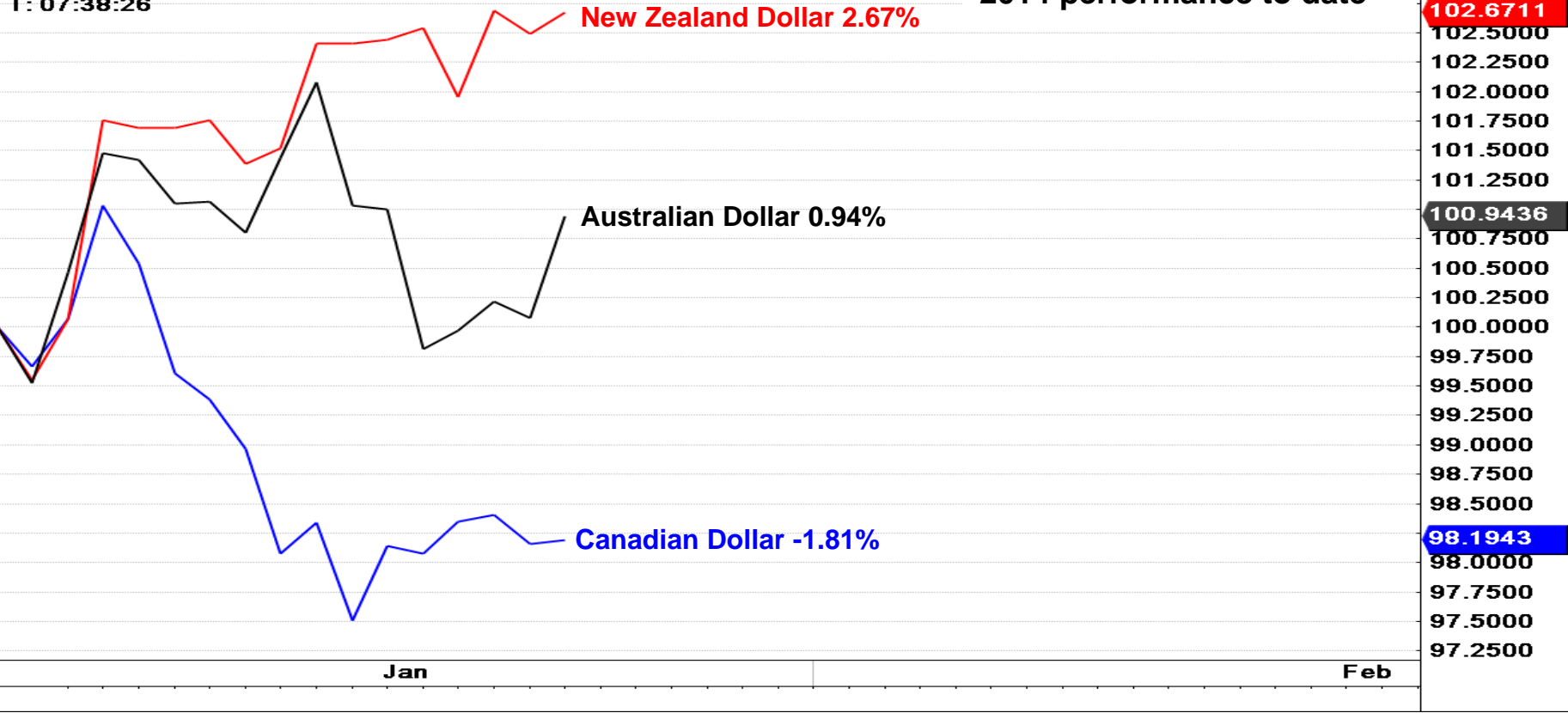
 update

Update Professional : Data by Bloomberg

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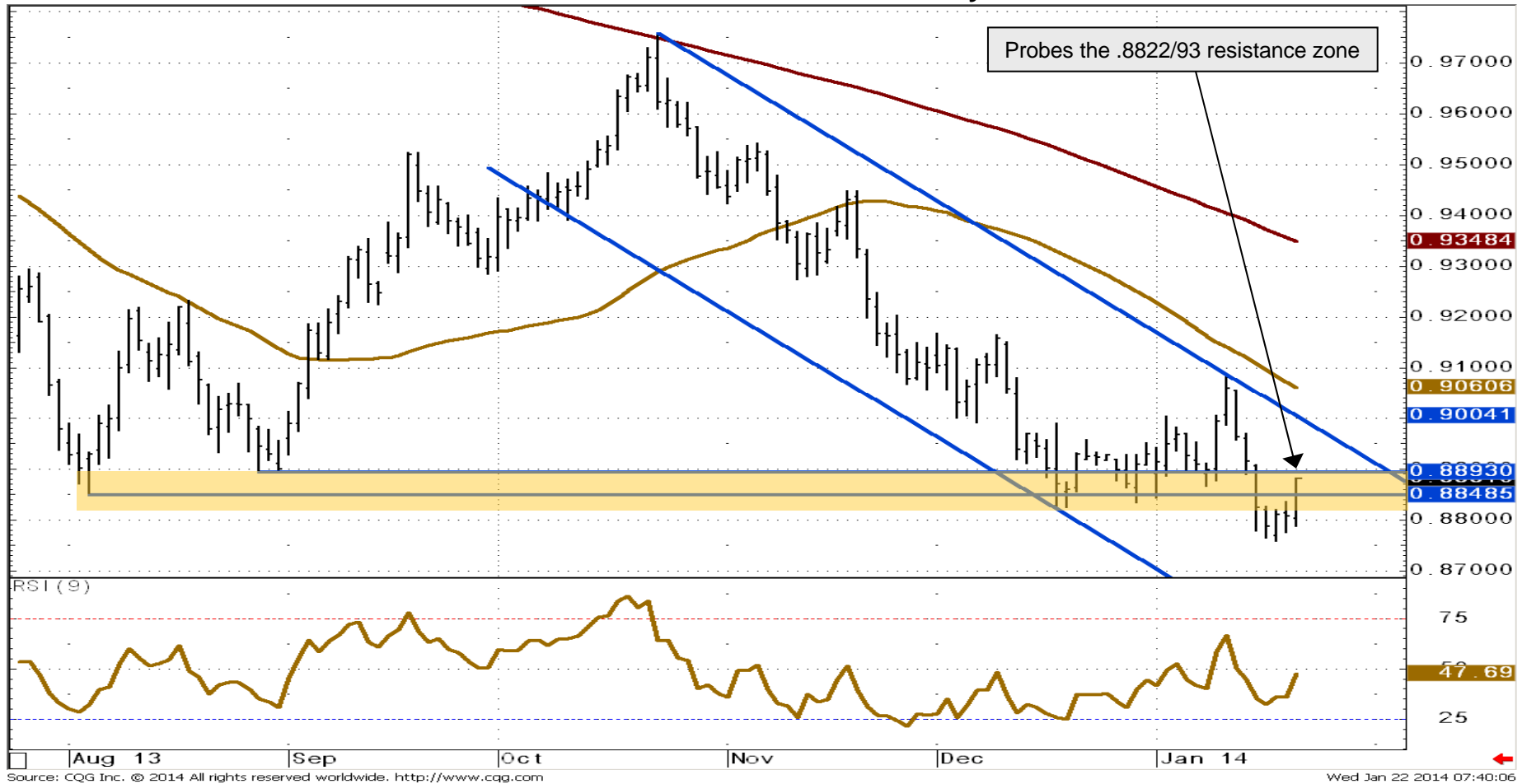
2014 performance to date



AUD/USD - Daily Chart

Please see comments in this morning's Daily Market Technicals

AUD/USD Daily Chart



Wed Jan 22 2014 07:40:06

NZD/USD - Daily Chart

Still oscillates between the .8408/37 resistance area and the .8213/.8084 support zone

- › NZD/USD's rejection by the .8408/37 resistance area, made up of the September/November highs, has so far taken it to the .8213 level.
- › We expect to see further range trading between the above mentioned resistance area and the .8213/.8084 significant support zone in the week ahead and thus remain neutral.
- › In case of a daily close above .8437 being made, though, we will have to allow for the .8500 region and the October peak at .8545 to be revisited.
- › While no daily chart close above .8437 is being made the 55 day moving average at .8250 and the five month support line at .8196 could be retested on a fall through the .8336/.8296 support area (December and early January highs and January 20 low).

NZD/USD Daily Chart

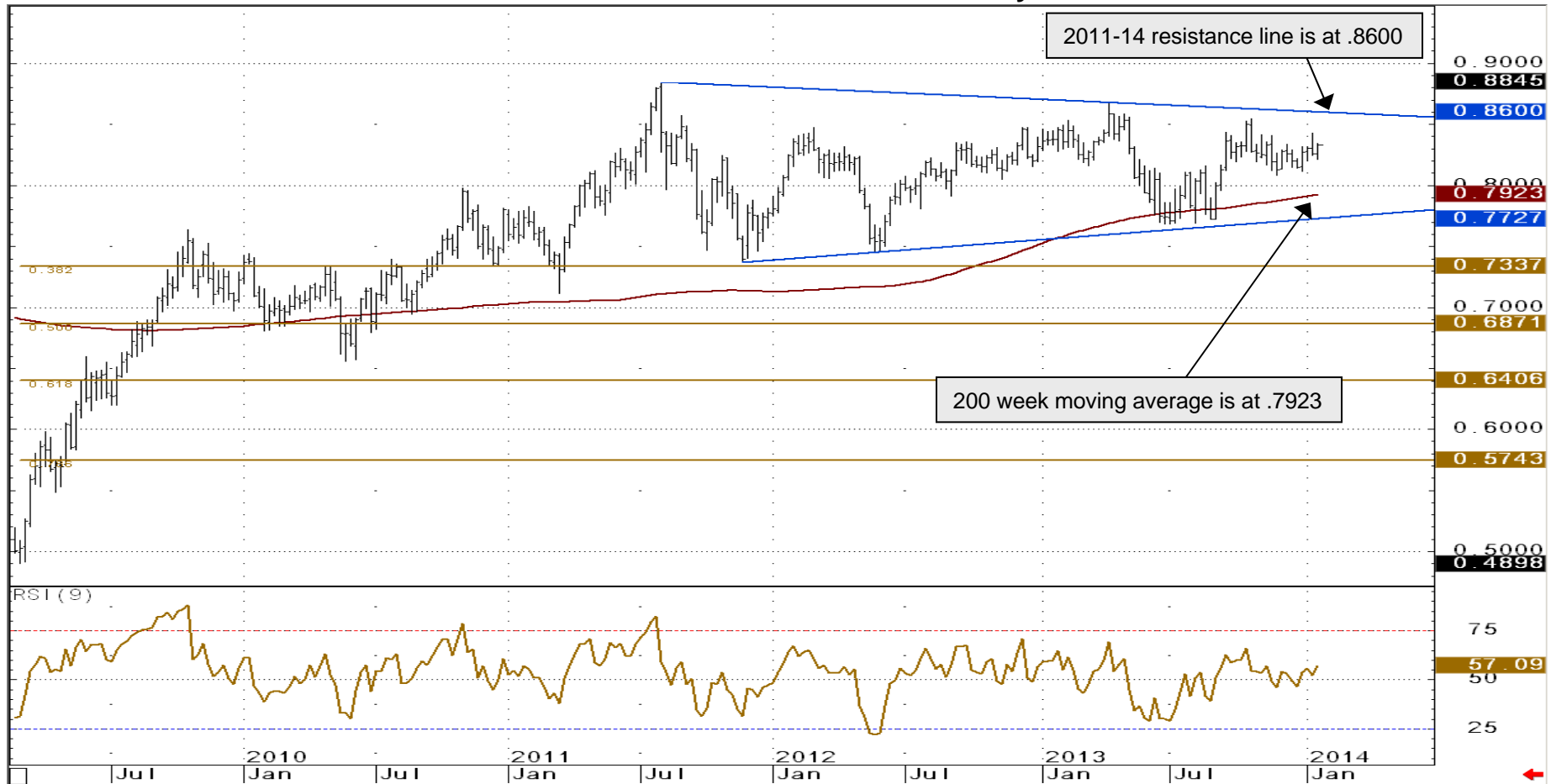


Support	Resistance	1-Week View	1-Month View
.8251/.8196	.8408/37	➔	➔
.8169/.8084	.8500/45		

NZD/USD - Weekly Chart

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

NZD/USD Weekly Chart



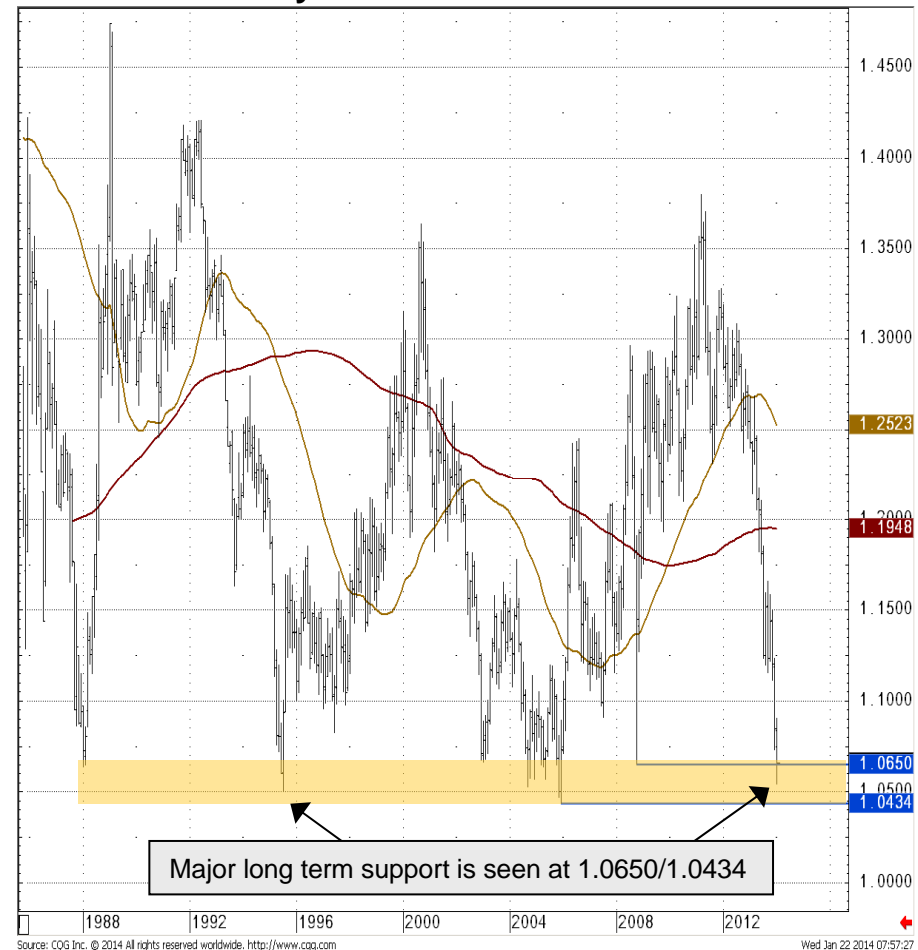
AUD/NZD - Monthly Chart

Is holding at major long term support at 1.0650/1.0501

- › AUD/NZD has rapidly dropped through the 2008 trough at 1.0650 to 1.0543 before finding support.
- › Between the 1.0650 level and the 1.0566/01 support area we expect it to hold in the days ahead.
- › The latter is where the 1974-2014 uptrend line on the quarterly chart, the September 2004 and the 1995 low can be seen. These support levels can all be seen on page 9.
- › Below them lies the 2005 low at 1.0434.
- › Our view that the 1.0650/1.0501 support zone will hold this week has been strengthened by the positive divergence with the daily RSI which can be seen on the daily chart on the following page.
- › For now we retain our short- and medium term neutral stance.

Support	Resistance	1-Week View	1-Month View
1.0543/01	1.0864/1.0919	➔	➔
1.0434&1.0000	1.1039&1.1157		

NZD/USD Monthly Chart



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AUD/NZD - Daily Chart

Is trying to find support above the 1.0500 zone and positive divergence can now be seen

NZD/USD Daily Chart

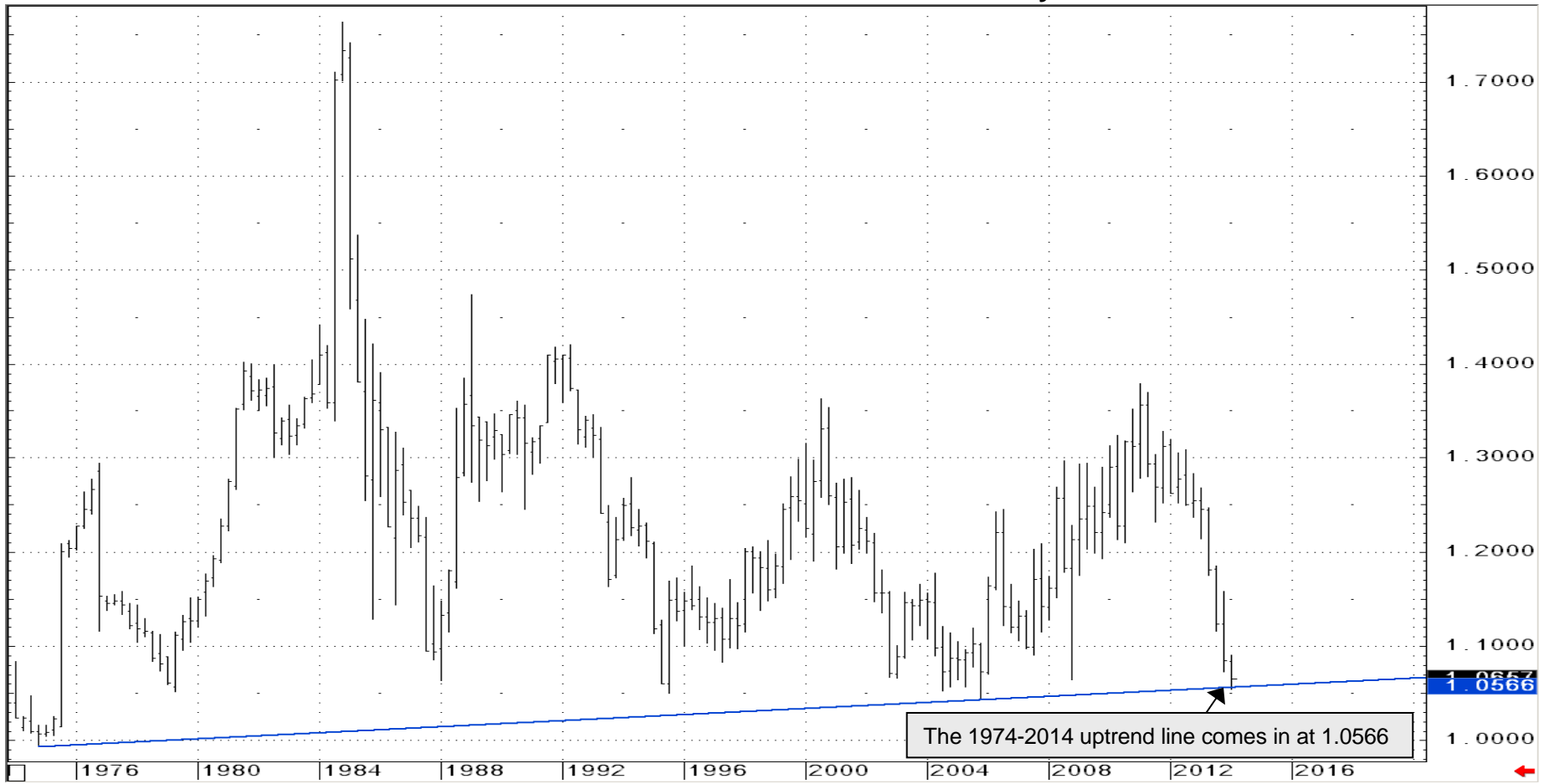


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AUD/NZD - Quarterly Chart

Probes the 1974-2014 uptrend line at 1.0566

NZD/USD Quarterly Chart



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USD/CAD - Daily Chart

Negative divergence around the 1.1000 mark points to at least upside momentum slowing down

- › USD/CAD is still flirting with psychological resistance around the 1.1000 mark but is expected to lose upside momentum in the days to come and could short term correct lower now that negative divergence with the daily RSI is apparent.
- › Strong support can be seen around the 1.0850 level and at the 1.0736 December high. The strategy should be to buy dips. Once a daily chart close above the current January high at 1.1018 has been seen, the August 2009 peak at 1.1122 and the 50% retracement at 1.1238 remain in view.
- › We will hold onto this bullish medium term outlook while USD/CAD trades above its late December low at 1.0500.
- › Support comes in along the one month support line at 1.0799 and, below it, along the 55 day moving average at 1.0648, the latter we do not expect to be retested.
- › We have neutralised our short term outlook.

USD/CAD Daily Chart



Support	Resistance	1-Week View	1-Month View
1.0850/1.0799	1.1018&1.1122	➔	➔
1.0736/07	1.1238&1.1500		

USD/CAD - Weekly Chart

Now flirts with the psychological 1.1000 region around which upside momentum should diminish

USD/CAD Weekly Chart



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EUR/AUD - Daily Chart

Still meanders between the 1.5034/1.4996 support area and the 1.5509/98 resistance zone

- › EUR/AUD remains within its distinct 1.5509/98 resistance area (current January and December highs) and the 1.5034/1.4996 support zone which is made up of the August highs and current January low.
- › We believe that further range trading will be seen this week and have thus neutralised our short term view.
- › Only once a daily close above the 1.5598 level has been made will the next higher 1.5926/1.6050 target zone be in focus. It is where the February and June 2008 lows were made.
- › Still further up lies the 50% retracement of the 2008-12 decline at 1.6368 which is also expected to be reached this year. We will remain long term bullish while EUR/AUD trades above the November low at 1.4050.
- › Support below 1.4996 is seen at 1.4952 and 1.4800.

EUR/AUD Daily Chart

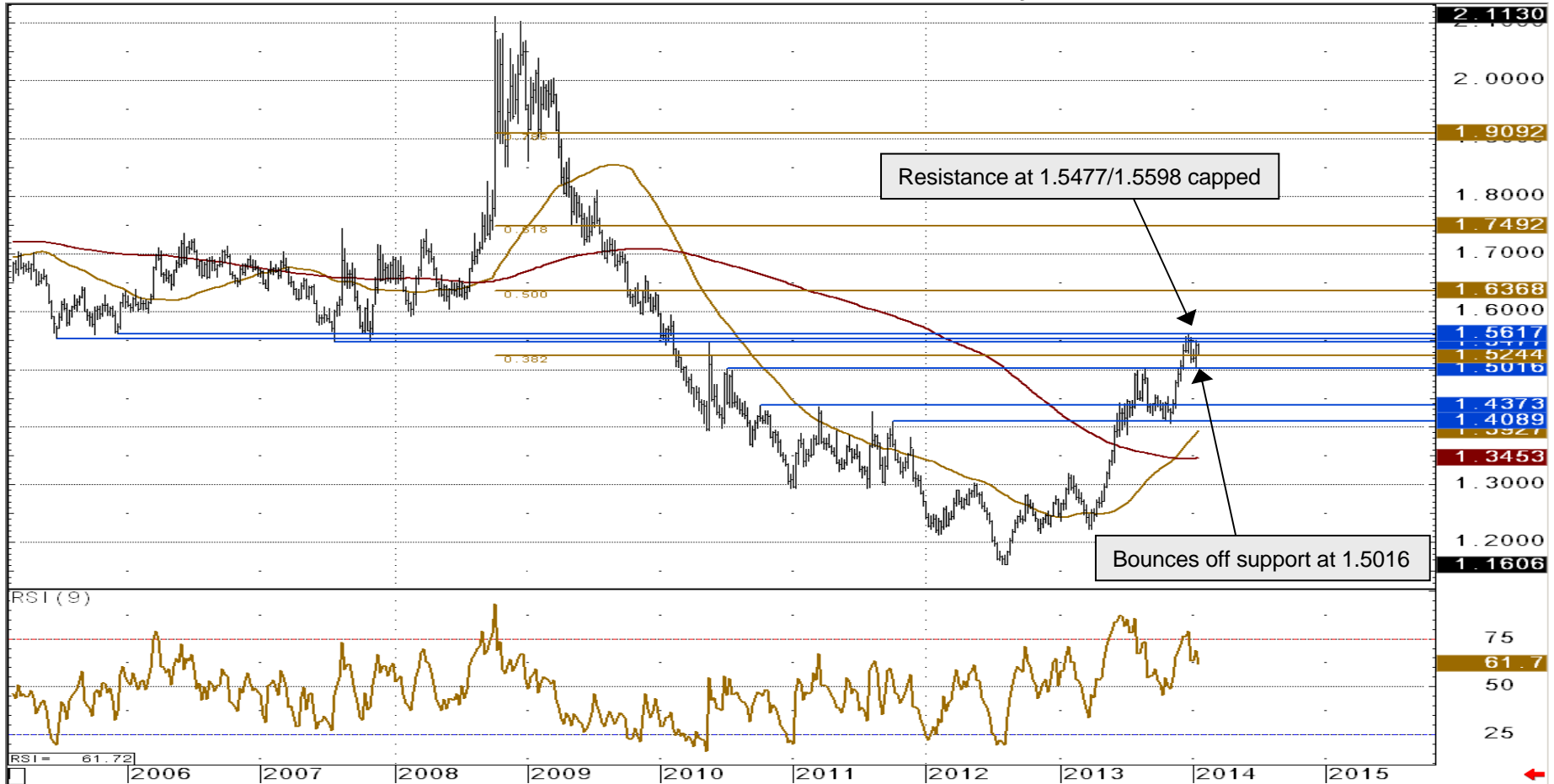


Support	Resistance	1-Week View	1-Month View
1.5116&1.5034	1.5509/98	➔	➔
1.4996&1.4931	1.5926/1.6050		

EUR/AUD - Weekly Chart

Has been rejected by resistance at 1.5477/1.5598 but is likely to retest it in the near future

EUR/AUD Weekly Chart



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EUR/NZD - Daily Chart

Tests the 1.6231/15 support zone, a slip through which will target the 1.6147/1.6019 region

- › EUR/NZD's decline off the 1.6998 December peak has so far taken it to 1.6223 which is within the 1.6243/1.6215 support zone, made up of the 55 week moving average and the 2013-14 uptrend line.
- › Possible failure there could lead to the next lower 1.6147/1.6019 support zone, made up of the 78.6% Fibonacci retracement of the November-to-December rally and the September, October and November 18 lows, to be revisited. If so, it should hold there and then bounce back.
- › We believe that over the next few months the 2011-14 downtrend line at 1.6906 will be overcome with the 2013 peak at 1.7282 then being in the picture. For this to happen a daily close above the 1.6998 December high will need to be made and only this would change our neutral one month view to a bullish one.
- › While trading above the November low at 1.5915 we will stick to our currently still neutral forecast.

EUR/NZD Daily Chart

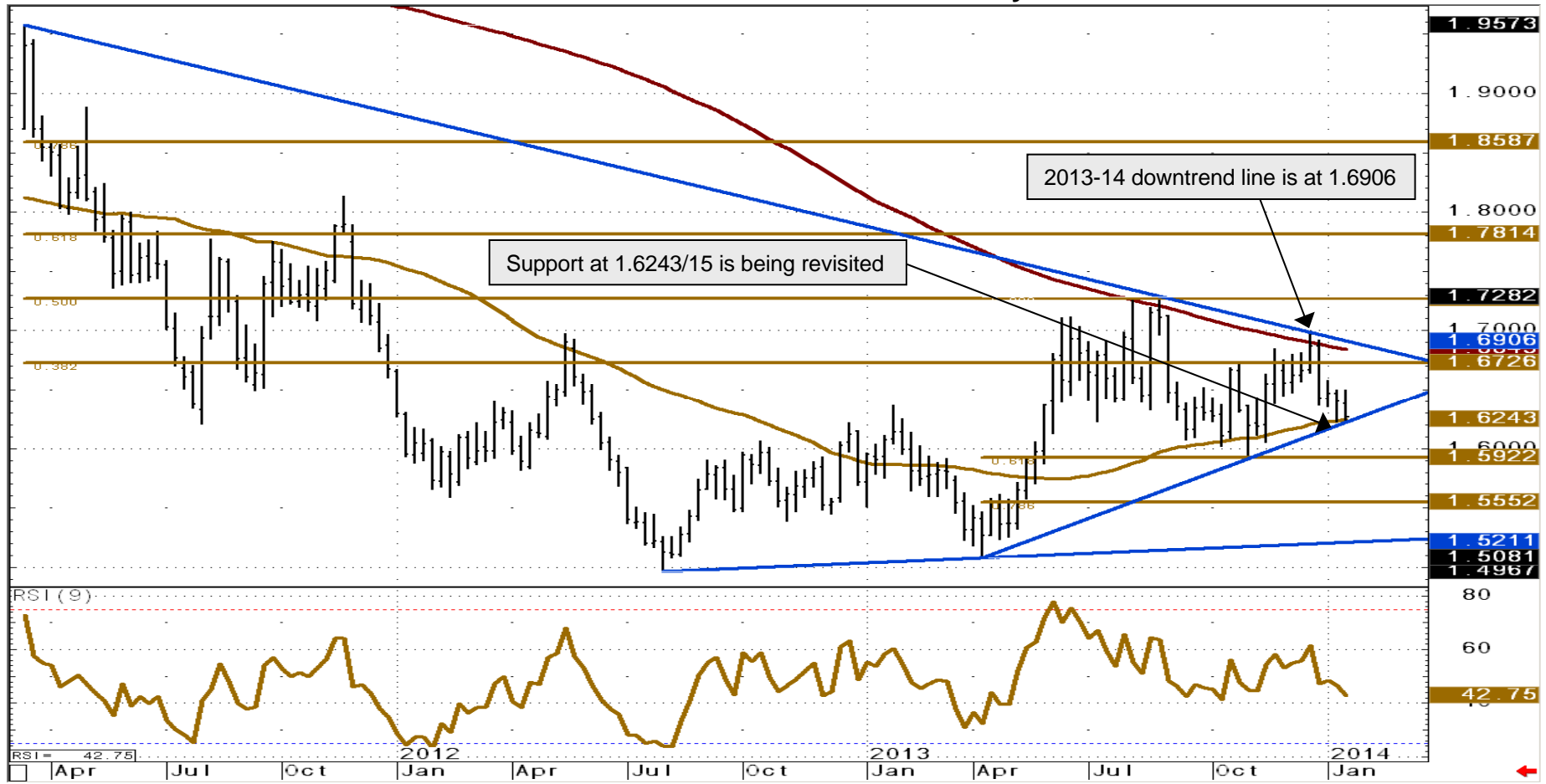


Support	Resistance	1-Week View	1-Month View
1.6243/15	1.6400&1.6503	➔	➔
1.6147/1.6019	1.6578/84		

EUR/NZD - Weekly Chart

Probes the 1.6243/15 support zone which is key for the short term trend

EUR/NZD Weekly Chart



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EUR/CAD - Daily Chart

Comes off the psychological 1.5000 level and consolidates but still eyes the 1.5186/1.5453 zone

- › EUR/CAD's surge higher has so far taken it to 1.4992 which is very close to the major psychological 1.5000 level from where it has been rejected last week.
- › The current consolidation has further to run which is why we have neutralised our short term view.
- › We will retain our medium term bullish view while EUR/CAD stays above the current January low at 1.4410. Our longer term bullish outlook will be valid while the currency pair remains above the November low at 1.3887.
- › The 1.5186/1.5453 resistance zone, which encompasses the June, July and October 2009 lows and the 61.8% Fibonacci retracement of the 2008-12 decline, remains in focus for the weeks ahead.
- › Support is seen at 1.4819/1.4665, where the mid- and late December highs were made, and between the uptrend channel line and the 55 day moving average at 1.4559/06.

EUR/CAD Daily Chart

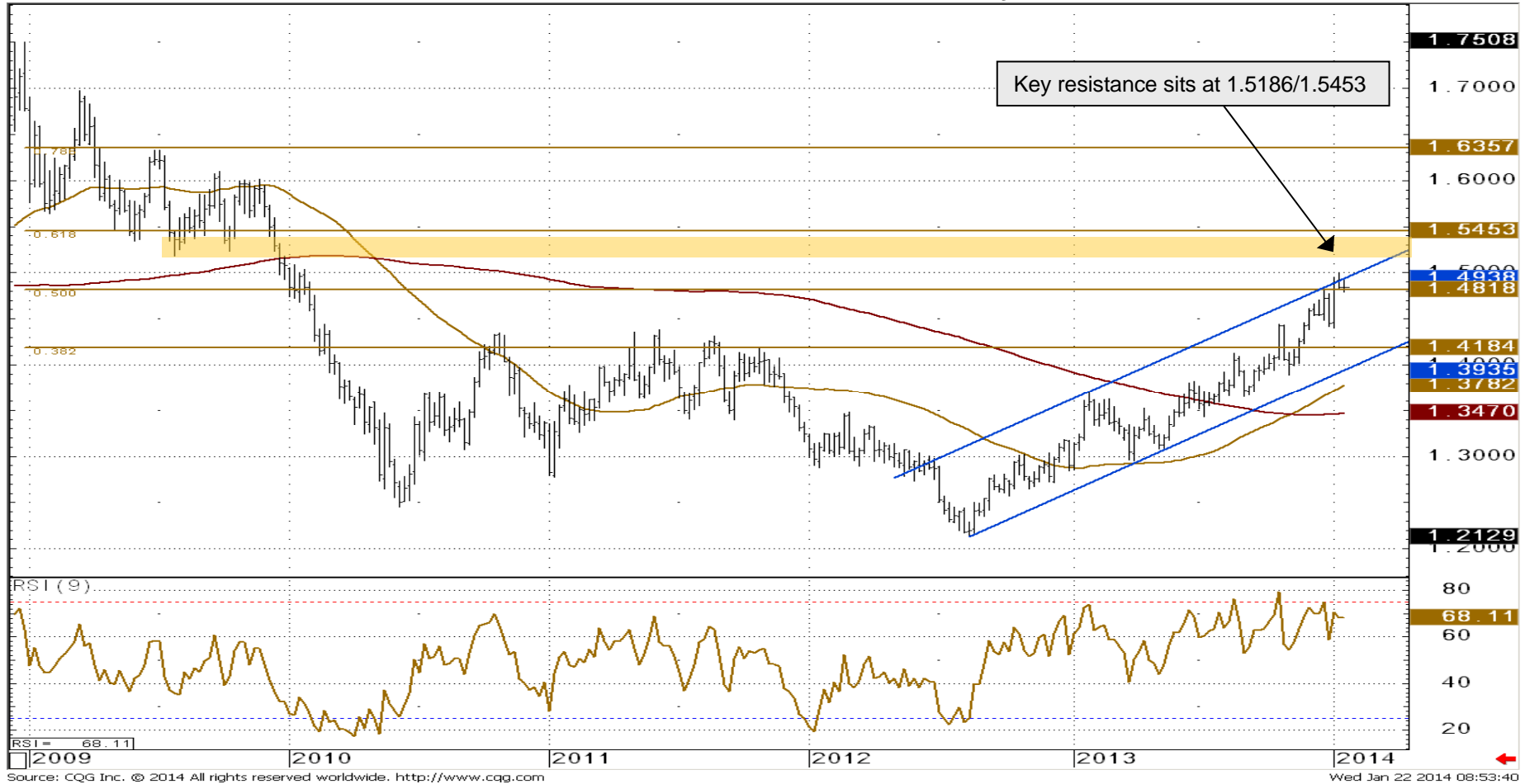


Support	Resistance	1-Week View	1-Month View
1.4787/1.4665	1.4992/1.5000	➔	➔
1.4559/06	1.5186/1.5453		

EUR/CAD - Weekly Chart

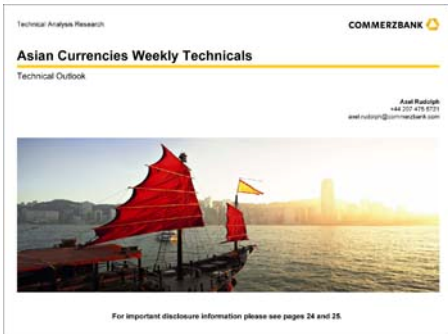
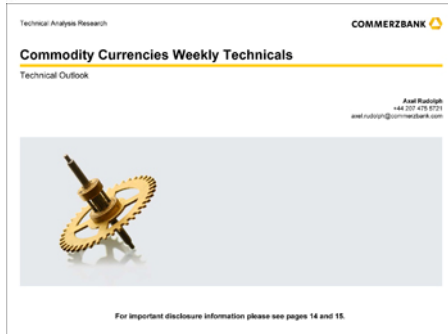
Is being capped by the psychological 1.5000 level but still targets the 1.5186/1.5453 region

EUR/CAD Weekly Chart



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- Wednesday:** Daily Market Technicals (FX), Strategic Technical Themes;
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