

RESEARCH TEAM

DAILY TECHNICAL REPORT

10 January 2014

Bijoy Kar, CFA
Senior Market Strategist



Luc Luyet, CIIA, CMT
Senior Analyst



Please note: None of the strategies below represent trading advice or trading recommendations of any kind. Please refer to our full disclaimer.

	DIRECTION	TIMEFRAME	STRATEGY / POSITION	ENTRY LEVELS	OBJECTIVE / COMMENTS	STOP	ENTERED
EUR / USD	→	L-TERM			Await fresh signal.		
GBP / USD	→	S-TERM			Await fresh signal.		
USD / JPY	↑	S-TERM			Await fresh signal.		
USD / CHF	↑	S-TERM			Await fresh signal.		
USD / CAD	↑	S-TERM	Buy stop 3	1.0875	1.0930/1.1086/1.1675	1.0820	
AUD / USD	→	S-TERM			Await fresh signal.		
GBP / JPY	→	S-TERM			Await fresh signal.		
EUR / JPY	→	S-TERM			Await fresh signal.		
EUR / GBP	↓	M-TERM			Await fresh signal.		
EUR / CHF	→	S-TERM	Long 3	1.2329	1.2660/1.2985/1.3195	1.1998	23/01/2013
GOLD (in USD)	→	S-TERM			Await fresh signal.		
SILVER (in USD)	→	S-TERM			Await fresh signal.		

Notes: Entries are in 3 units and objectives are at 3 separate levels where 1 unit will be exited. When the first objective (PT 1) has been hit the stop will be moved to the entry point for a near risk-free trade. When the second objective (PT 2) has been hit the stop will be moved to PT 1 locking in more profit. All orders are valid until the next report is published, or a trading strategy alert is sent between reports.

EUR / USD



Grinding lower.

- EUR/USD has broken the support at 1.3621 (06/12/2013 low). Coupled with the false breakout of the key resistance area between 1.3811 (11/12/2013 high) and 1.3832, a double-top is likely underway. The implied downside risk is 1.3440. The short-term technical structure is negative as long as prices remain below the resistance at 1.3677. A support stands at 1.3524 (03/12/2013 low).

- In the longer term, the recent false breakout near the key resistance area defined by 1.3811 (11/12/2013 high) and the long-term declining trendline (around 1.3890) confirm a limited upside potential. We favour a corrective phase towards the 200 day moving average (around 1.3330).

Luc Luyet, CIIA, CMT | Senior Analyst
e-mail: l.luyet@migbank.com | phone: +41 58 721 94 96

Await fresh signal.

GBP / USD



Struggling thus far to hold above the resistance at 1.6474.

- GBP/USD has breached the resistance at 1.6474, but has thus far failed to hold above it. A short-term bullish bias is favoured as long as the hourly support at 1.6436 (intraday low, see also the short-term rising trendline) holds. Another support stands at 1.6338. Resistances can now be found at 1.6497 (09/01/2014 high) and 1.6603.

- The break of the major resistance area between 1.6381 and 1.6466 favours a further long-term rise towards the strong resistance at 1.7043 (05/08/2009 high). A break of the support at 1.6220 would negate this positive outlook implied by the recent new highs. Another key resistance lies at 1.6747 (28/04/2011 high).

Luc Luyet, CIIA, CMT | Senior Analyst
e-mail: l.luyet@migbank.com | phone: +41 58 721 94 96

Await fresh signal.

USD / JPY



A test of the recent highs is favoured.

- USD/JPY has bounced near the key support at 103.77 (see also the short-term rising channel). A test of the resistance at 105.44 (02/01/2014 high) is now expected. An initial support lies at 104.58 (09/01/2014 low).

- The move above the key resistance at 103.74 favours a continuation of the longer term bullish trend. Monitor the resistance at 105.50 (61.8% retracement of the decline that started in June 2007). A major resistance stands at 110.66 (15/08/2008 high). A significant support now lies at 99.57 (19/11/2013 low, see also the 200 day moving average).

Luc Luyet, CIIA, CMT | Senior Analyst
e-mail: l.luyet@migbank.com | phone: +41 58 721 94 96

Await fresh signal.

USD / CHF



The steep short-term rising trendline has been broken.

- USD/CHF weakened yesterday, breaking its steep short-term rising trendline. The upside potential at 0.9169 implied by the double-bottom formation remains valid as long as the support at 0.9020 holds. Resistances stand at 0.9131 and 0.9192.

- From a longer term perspective the structure present since 0.9972 (24/07/2012) is seen as a large corrective phase which is potentially reaching completion. The support area defined by 0.8931 (24/02/2012 low) and 0.8833 has thus far held, favouring a potential base formation. A key resistance stands at 0.9250.

Luc Luyet, CIIA, CMT | Senior Analyst
e-mail: l.luyet@migbank.com | phone: +41 58 721 94 96

Await fresh signal.

USD / CAD



Challenging a major resistance area.

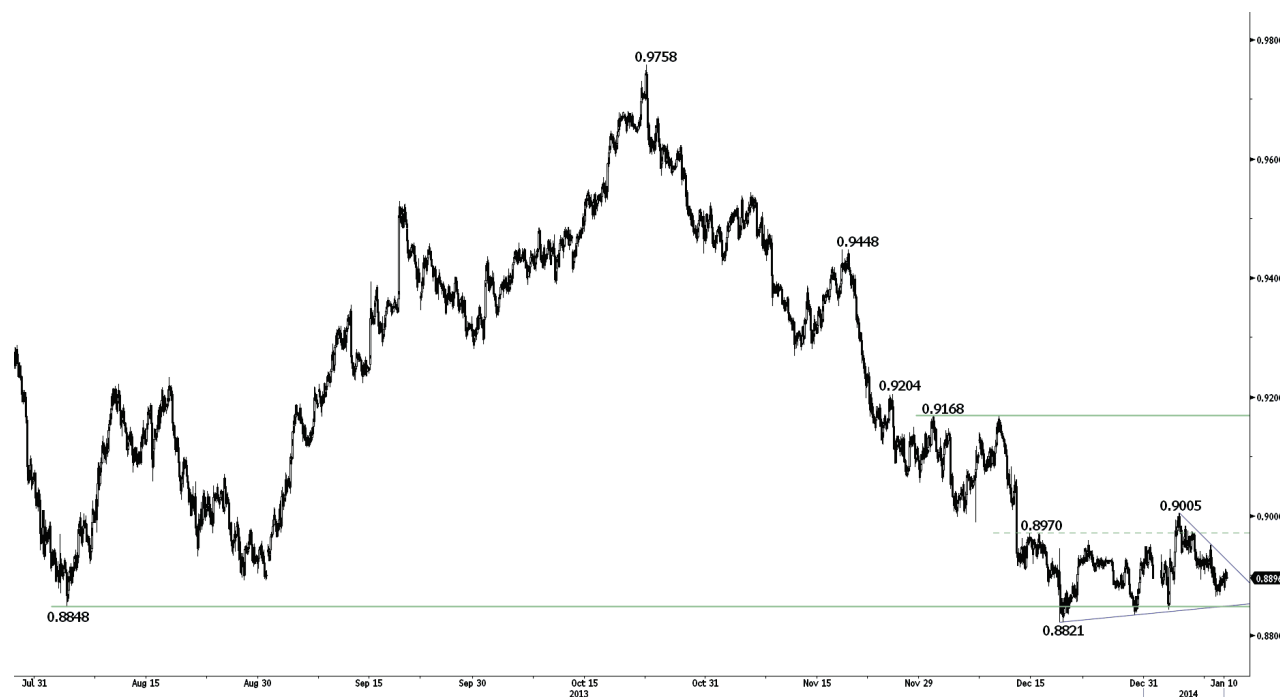
- USD/CAD has broken to the upside its short-term horizontal range between 1.0559 and 1.0738. The implied upside potential is 1.0917. Monitor the test of the major resistance area near 1.0870. Hourly supports stand at 1.0819 (09/01/2014 low) and 1.0791 (intraday low).

- In the longer term, the strong resistance at 1.0870 (02/11/2009 high, see also the long-term declining trendline from the October 2002 peak) continues to represent a major hurdle. However, a decisive break is favoured, which would validate a multi-year basing formation whose upside potential is around 1.1910.

Luc Luyet, CIIA, CMT | Senior Analyst
e-mail: l.luyet@migbank.com | phone: +41 58 721 94 96

Buy stop 3 at 1.0875, Objs: 1.0930/1.1086/1.1675, Stop: 1.0820

AUD / USD



Moving sideways near the key support at 0.8848.

- AUD/USD is moving without a clear trend near the key support area between 0.8848 and 0.8821. Hourly resistances stand at 0.8952 (08/01/2014 high) and 0.9005.

- The long-term technical pattern remains negative. A decisive break under 0.8848 (05/08/2013 low) would open the way for a move towards the key support at 0.8067 (25/05/2010 low). A significant resistance is given by the 200 day moving average (around 0.9400).

Luc Luyet, CIIA, CMT | Senior Analyst
e-mail: l.luyet@migbank.com | phone: +41 58 721 94 96

Await fresh signal.

GBP / JPY



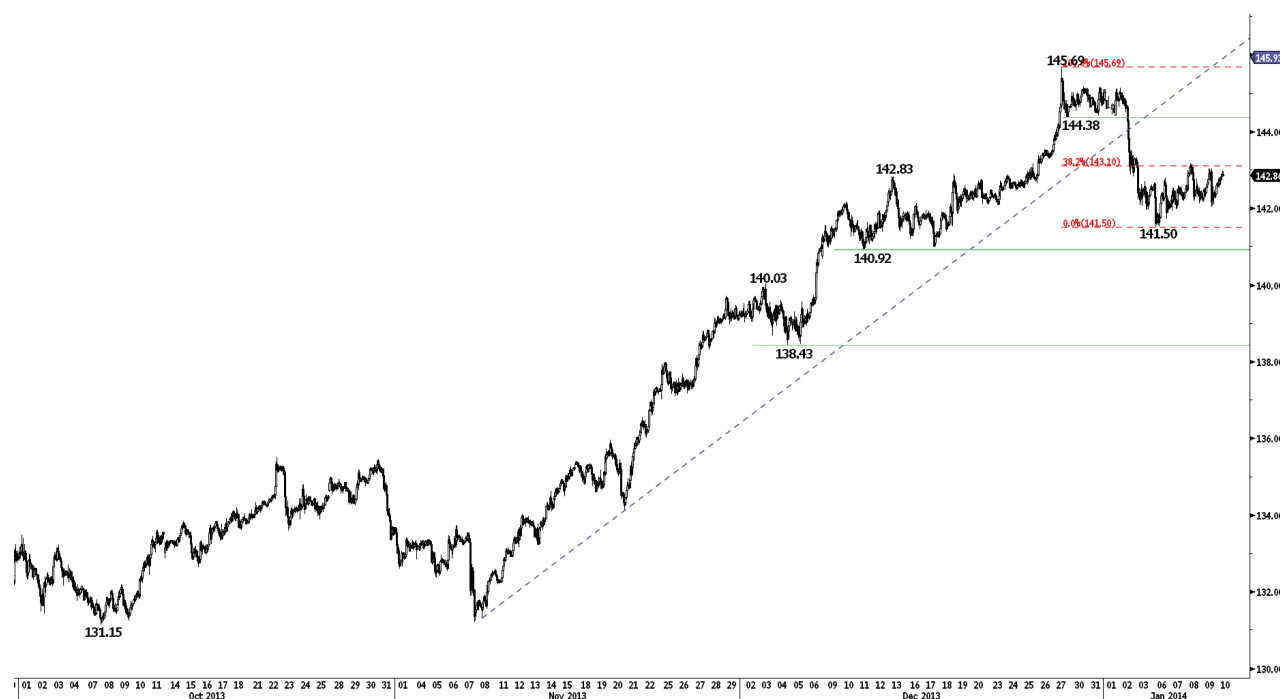
Grinding higher.

- GBP/JPY is grinding higher. However, prices are struggling to clear the resistance at 172.84 (previous support). Another resistance lies at 174.85. An hourly support can be found at 171.83 (intraday low). A key support area stands between 170.42 and 169.78.
- The break of the major resistance at 163.09 calls for further long-term strength towards the resistance at 179.17 (15/08/2002 low). However, the deep overbought conditions suggest some short-term caution. The long-term technical structure remains supportive as long as the key low at 154.73 (09/10/2013 low) holds.

Luc Luyet, CIIA, CMT | Senior Analyst
e-mail: l.luyet@migbank.com | phone: +41 58 721 94 96

Await fresh signal.

EUR / JPY



Buying interest remains weak thus far.

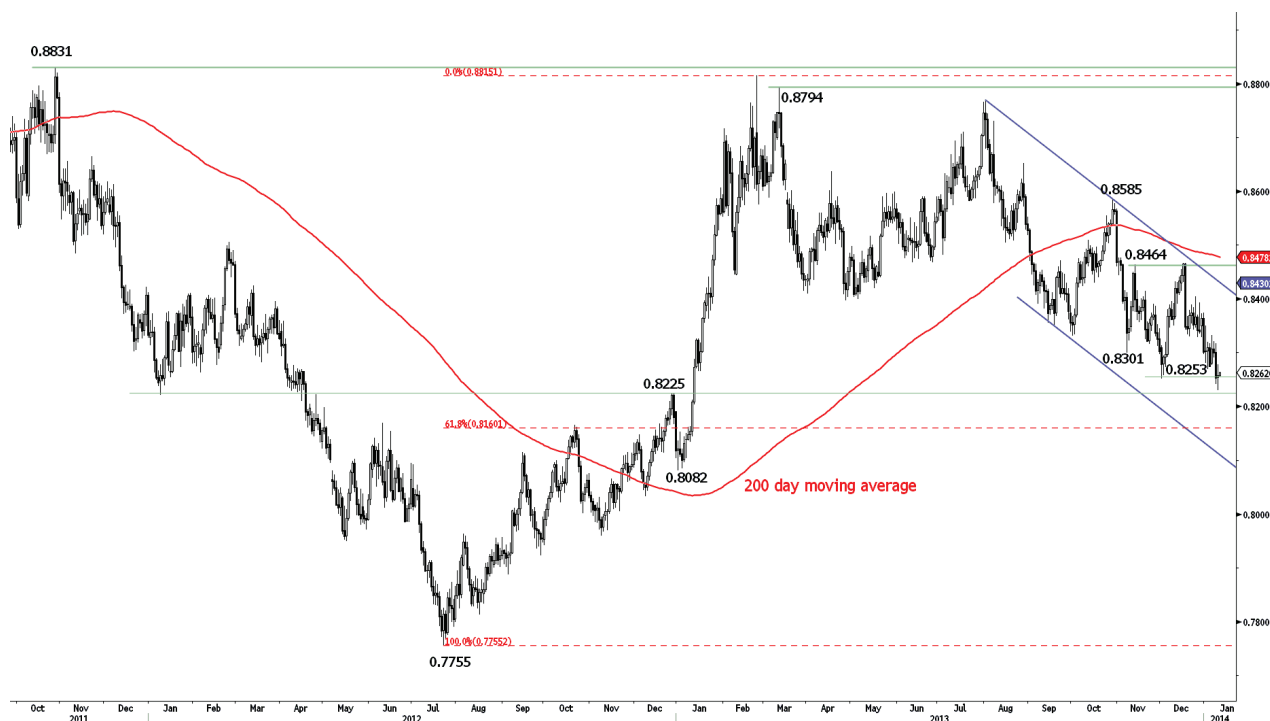
- EUR/JPY's bounce has thus far failed to move higher than its 38.2% retracement. Hourly resistances can now be found at 143.17 (08/01/2014 high) and 144.38 (previous support). Hourly supports are at 141.50 and 140.92.

- The long-term technical structure remains positive as long as the support at 131.15 (08/10/2013 low) holds. However, the deep overbought conditions suggest some caution. A resistance lies at 147.04 (16/09/2008 low).

Luc Luyet, CIIA, CMT | Senior Analyst
e-mail: l.luyet@migbank.com | phone: +41 58 721 94 96

Await fresh signal.

EUR / GBP



Challenging its key support at 0.8253.

- EUR/GBP has breached its key support at 0.8253 but has failed to make a daily close below it. Furthermore, the other support at 0.8225 is intact. A break of the initial resistance at 0.8277 (09/01/2014 high) would favour a short-term bounce. Another resistance stands at 0.8334 (intraday high).

- In the longer term, the underlying bearish trend and the lack of any reversal pattern favour further weakness towards 0.8160 (61.8% retracement from the 2012-2013 rise). However, monitor the test of the support at 0.8253.

Luc Luyet, CIIA, CMT | Senior Analyst
e-mail: l.luyet@migbank.com | phone: +41 58 721 94 96

Await fresh signal.

EUR / CHF



Retracing its recent sharp rise.

- EUR/CHF declined sharply yesterday. We view this weakness as a short-term consolidation phase after the recent strong rise. Supports can be found at 1.2333 (27/11/2013 high) and 1.2281 (03/01/2014 low). Resistances are at 1.2395 and 1.2415.

- In the medium-term, the break of the declining channel opens the way for a move towards the strong resistance at 1.2466.

- In September 2011, the SNB put a floor at 1.2000 in EUR/CHF, which is expected to hold in the medium-term. We generally favour further longer term upside for EUR/CHF towards the psychological threshold at 1.30.

Luc Luyet, CIIA, CMT | Senior Analyst
e-mail: l.luyet@migbank.com | phone: +41 58 721 94 96

Long 3 at 1.2329, Objs: 1.2660/1.2985/1.3195, Stop: 1.1998 (Entered: 2013-01-23)

GOLD (in USD)



Improving.

- Gold is trying to expand its recent bounce by breaking the initial resistance at 1233 (intraday high). Monitor the resistance at 1249. Another resistance is at 1268. A short-term support area now lies between 1219 (08/01/2014 low) and 1212 (intraday low).

- Longer term, we continue to view the rise from 1181 (28/06/2013 low) as a counter-trend move within an underlying bearish trend. Therefore the test of the key support at 1181 is seen as the minimum downside risk. Another key support stands at 1045 (05/02/2010 low). A first key resistance is given by the medium-term declining channel (around 1275).

Luc Luyet, CIIA, CMT | Senior Analyst
e-mail: l.luyet@migbank.com | phone: +41 58 721 94 96

Await fresh signal.

SILVER (in USD)



Moving sideways.

- Silver continues to move within its horizontal range defined by the support at 18.90 and the resistance at 20.52. Even though the support at 19.35 has held, we favour a further decline towards the low of the horizontal range as long as prices remain below the hourly resistance at 19.92 (intraday high).
- In the longer term, the failure to break the key resistance area between 24.87 (26/04/2013 high) and 26.07 (26/09/2011 low) coupled with an underlying bearish trend call for lower prices. The break of the key support at 20.50 favours a move towards the next key support at 18.23 (28/06/2013 low).

Luc Luyet, CIIA, CMT | Senior Analyst
e-mail: l.luyet@migbank.com | phone: +41 58 721 94 96

Await fresh signal.