

## RESEARCH TEAM

# DAILY TECHNICAL REPORT

**13 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	→	S-TERM			Await fresh signal.		
GBP / USD	→	S-TERM			Await fresh signal.		
USD / JPY	→	M-TERM			Await fresh signal.		
USD / CHF	→	S-TERM			Await fresh signal.		
USD / CAD	↑	M-TERM	Long 2	1.0875	1.1086/1.1675	1.0875	
AUD / USD	→	S-TERM			Await fresh signal.		
GBP / JPY	↓	S-TERM			Await fresh signal.		
EUR / JPY	↓	S-TERM			Await fresh signal.		
EUR / GBP	→	S-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



**The short-term bullish momentum is picking up.**

- EUR/USD moved significantly higher last Friday and is now challenging the resistance at 1.3677 (see also the 38.2% retracement). A short-term bullish flag could be underway, which would confirm the invalidation of the medium-term double-top. Hourly supports stand at 1.3656 (intraday low) and 1.3633 (09/01/2014 high). Hourly resistances lie at 1.3687 (10/01/2014 high) and 1.3775 (02/01/2014 high).

- 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 gradual 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



### Grinding higher.

- GBP/USD continues to retrace its decline from the peak at 1.6603. Resistances can now be found at 1.6517 (10/01/2014 high) and 1.6603. Supports stand at 1.6374 (07/01/2014 low) and 1.6338.
- 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



### Bearish breakout at 103.77.

- USD/JPY has broken the key support at 103.77 (23/12/2013 low). A corrective phase is likely underway. Supports can be found at 102.50 (17/12/2013 low) and 101.63. The short-term technical structure is negative as long as prices remain below the resistance at 103.83 (10/01/2014 low). Another resistance lies at 104.19 (intraday high).

- The failure to break the resistance at 105.50 (61.8% retracement of the decline that started in June 2007) coupled with general overbought conditions favours a corrective phase towards the support at 101.63. A strong support lies at 99.57 (19/11/2013 low, see also the 200 day moving average), while a major resistance stands at 110.66 (15/08/2008 high).

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

**Await fresh signal.**

## USD / CHF



### Weakening.

- USD/CHF declined further last Friday. The support at 0.9020 has been broken, eroding the recent technical improvements. A break of the support at 0.8988 would turn the short-term structure bearish. An initial resistance can be found at 0.9039 (intraday high). An hourly resistance stands at 0.9091 (10/01/2014 high).

- 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



### Moving above the major resistance at 1.0870.

- USD/CAD continues to improve, moving above its major resistance at 1.0870. The short-term technical configuration is positive as long as the support at 1.0823 (intraday low) holds. An initial support is at 1.0883 (intraday low), while an hourly resistance stands at 1.0946 (10/01/2014 high).
- In the longer term, a decisive break of the major resistance at 1.0870 would validate a multi-year basing formation whose minimum upside potential is around 1.1910. Key resistances can be found at 1.1125 /17/08/2009 high) and 1.1725 (08/07/2009 high).

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

**Long 2 at 1.0875, Objs: 1.1086/1.1675, Stop: 1.0875**

## AUD / USD



### Short-term buying interest is picking up.

- AUD/USD has breached its hourly resistance at 0.9005, calling for a further short-term rebound. A key resistance stands at 0.9168. Hourly supports can be found at 0.8985 (intraday low) and 0.8966 (intraday low).

- 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



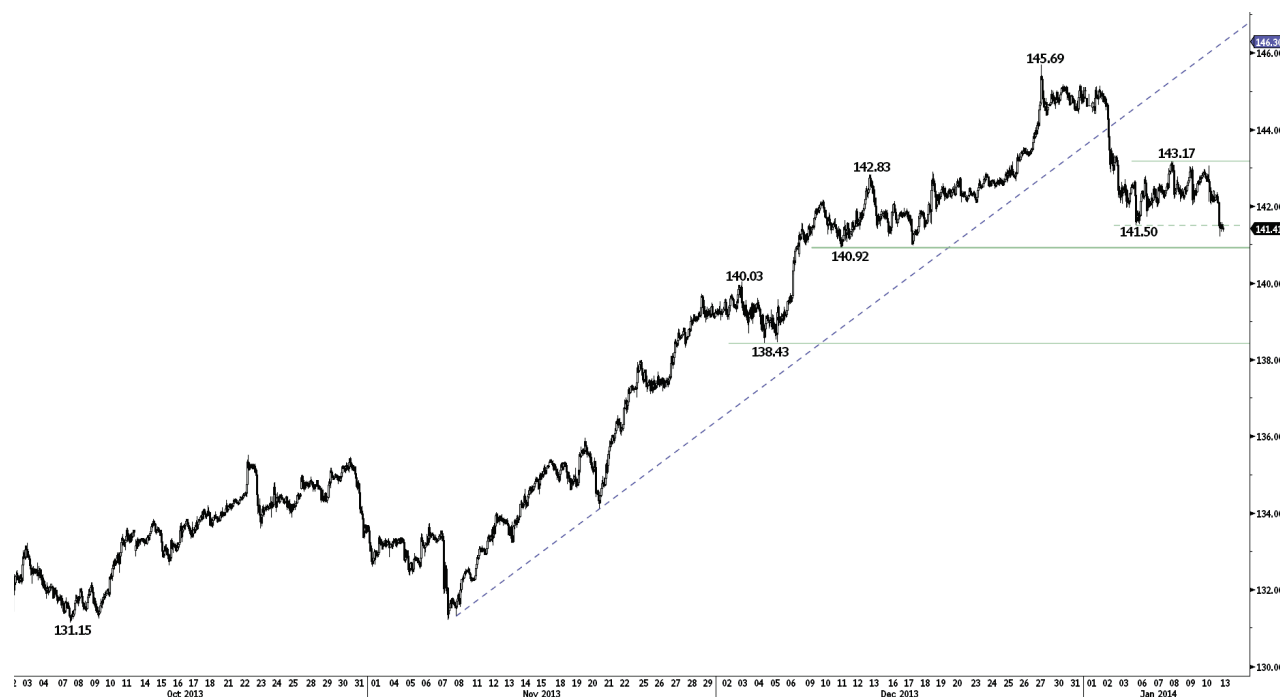
### Corrective phase likely underway.

- GBP/JPY is challenging its key support area between 170.42 and 169.78. Given the recent lower high at 173.14, a break lower would confirm a corrective phase. Other supports stand at 166.58 and 165.88. An hourly resistance can be found at 171.73 (intraday high).
- 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



### Moving lower.

- EUR/JPY has breached its support at 141.50. The break to the downside from the recent horizontal range favours further short-term weakness. However, monitor the test of the support at 140.92. Another support stands at 138.43. Hourly resistances are at 142.41 (intraday high) and 143.17.
- 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



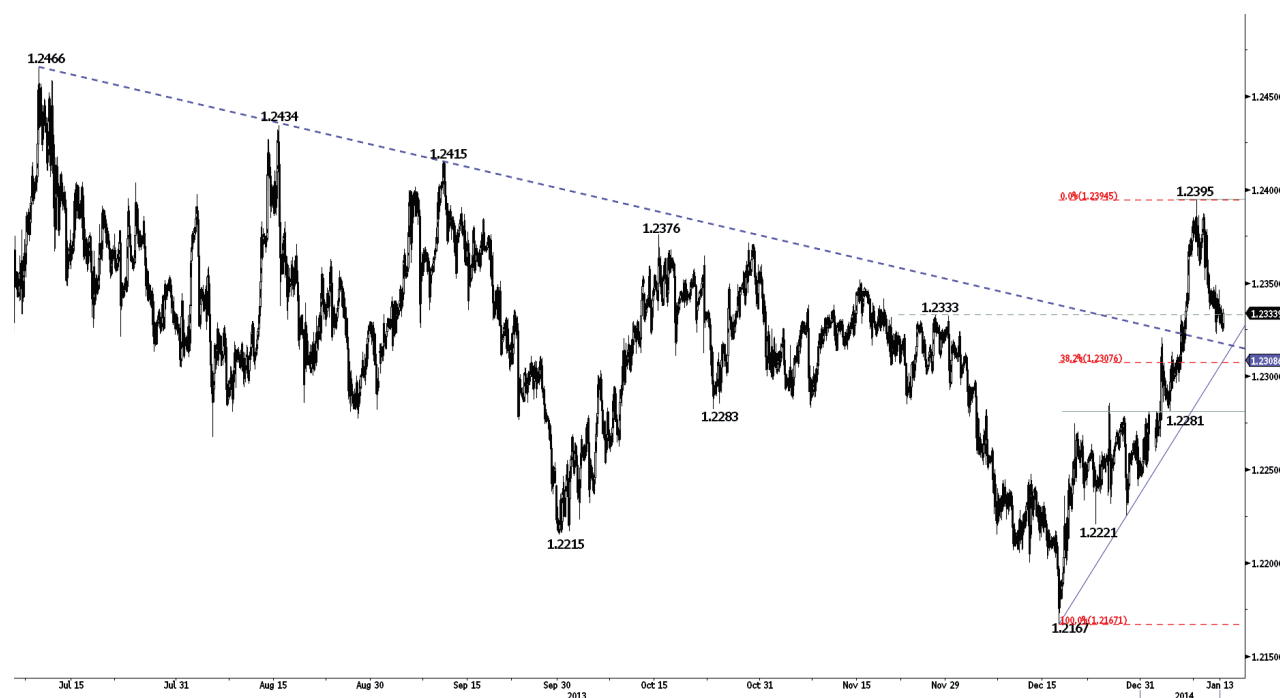
### Bouncing.

- EUR/GBP is rebounding after the failed attempt to decisively break the key support at 0.8253. Monitor the resistance at 0.8334. Another resistance stands at 0.8405 (see also the declining trendline). Hourly supports are at 0.8271 (intraday low) and 0.8231.
- In the longer term, despite the successful test thus far of the support at 0.8523, the underlying bearish trend remains negative. We favour further weakness towards 0.8160 (61.8% retracement from the 2012-2013 rise).

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 is declining after its recent sharp rise. Supports are given by the rising trendline (around 1.2309) and 1.2281 (03/01/2014 low). An initial resistance lies at 1.2349 (10/01/2014 high). Another resistance stands at 1.2395.

- 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 has breached the resistance at 1249, confirming an improving short-term buying interest. A key resistance stands at 1268 (see also the declining channel). Hourly supports can be found at 1238 (intraday high) and 1219.
- 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 1273).

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. The declining channel favours a bearish bias. An hourly support lies at 19.35.
- 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.**