

# FX UPDATE

- EM to the RESCUE!
- MANY USD-EM crosses now have SIZEABLE long-term tops forming. I think it is a combination of EM relief that the Turkey-Argentina situation is improving and the DXY losing momentum, more bias on the former for influence.
- Positions :
- December 107.00 Puts for 35.0 ticks (Now 1.50/2.00).
- October 112.50 Puts for 17.0. (Now 0.00/1.00).
- \*\*POSITION CLOSED SHORT DATED PUTS say EUR USD SEP 1.1400 Puts 21.0/22.0 Currently (116.0/118.0) Ref Sep future 1.1361, take 50% profit on the position.

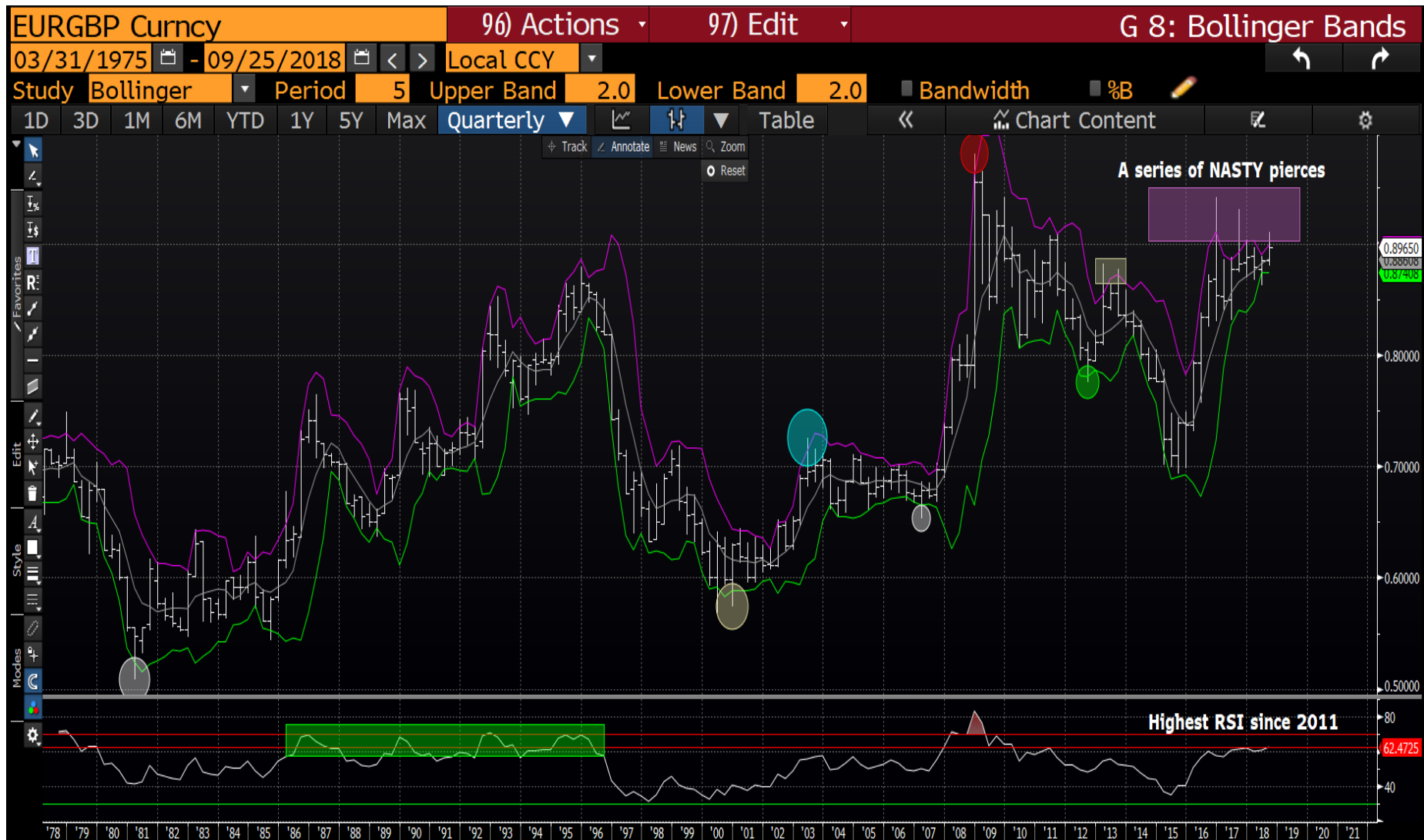
EUR USD quarterly : This is a key chart to start with given the LOWER HIGHS since 2008. As the blocks highlight the MAJOR DROP periods and potentially on this quarterly, we have a lot of work to do to make it work but it remains a POSSIBILITY.



EUR USD daily : We have had PERIODS of sideways activity before the BIG DROP. It is key this week that we CLOSE sub the 38.2% ret 1.1780. We need to head lower into the weekend, breaching 1.1667 moving average will help a lot. Key end to the week-quarter.



EUR GBP quarterly : The 3 upside pierces of late are VERY BEARISH and will be vindicated by a close sub the 0.88567 bollinger average. Hopefully this STILL hints at a weaker EURO going forward.

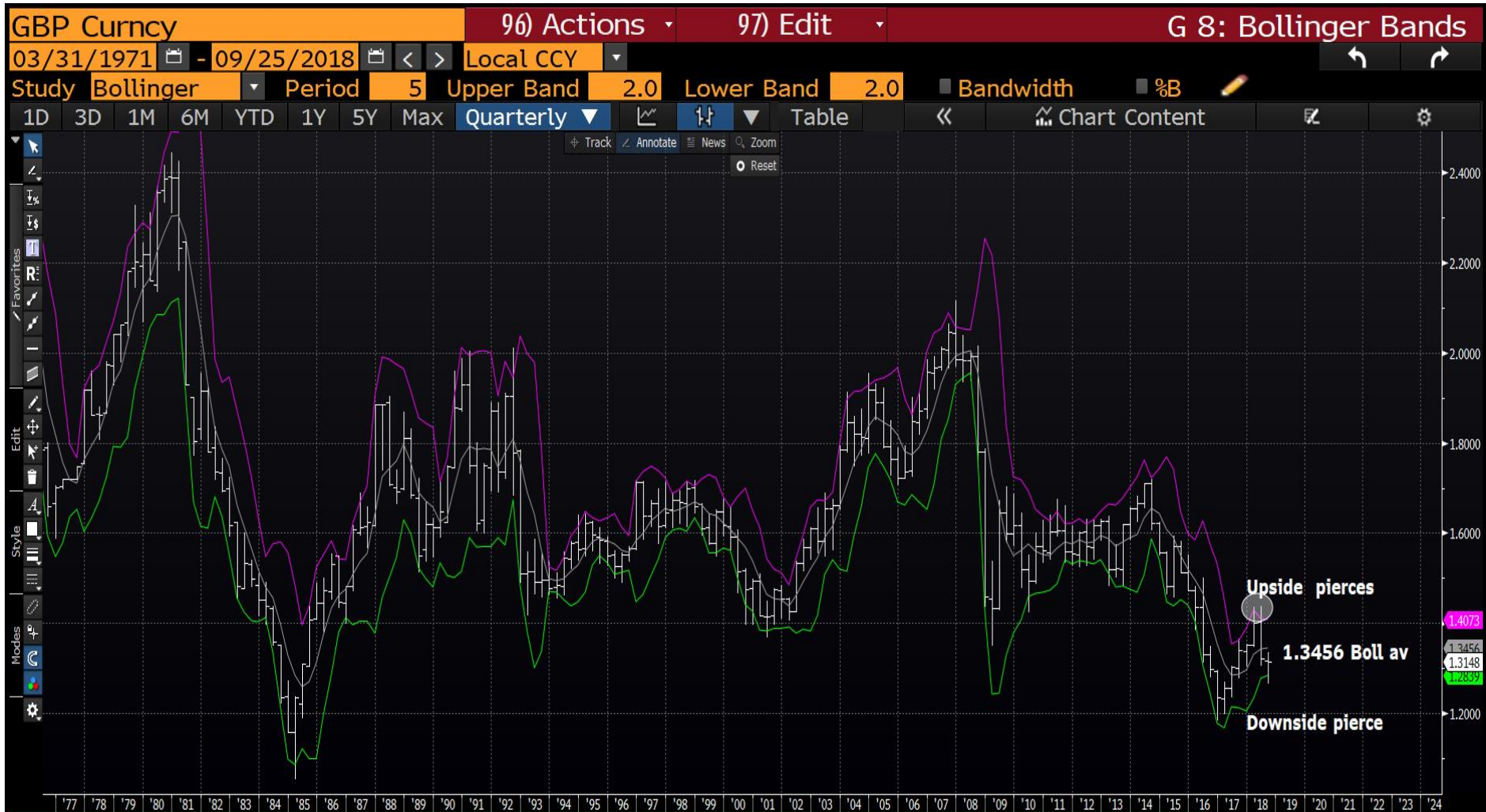


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EUR GBP weekly : We need to start heading lower from here and minimally close sub the 38.2% ret 0.88828.



Cable Quarterly : We have opposing pierces highlighting indecision and need the quarterly close to DETERMINE the next move.



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Cable weekly : We now have a reasonable pierce left over from last week so for further negative performance we'd have to close sub the 50% ret 1.3109. A close above the 38.2% ret 1.3408 NEGATES that pierce.



Cable daily : Decision time given the CONGESTION around the 100 day moving average 1.13148, the closes should bring more clarity.





DXY monthly : We have gone from nothing but “USD strength” to a SOFTENING of that view.  
 The big struggle is can we breach the 50% ret 95.859? It looks like being a struggle, add to that two crosses that aided that view namely AUD and CAD reversing.



DXY daily : Another chart where the USD needs to tell us its next move as currently the INDEX looks like heading lower.



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AUD USD monthly : New month, NEW LOW. This has been a great advocate of USD strength but the latest breach of the 61.8% ret 0.7187 has softened that relationship.



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AUD USD monthly : We have stalled again at the 50 day moving average-61.8% ret 0.7328.



USD NZD daily : We have popped back above the 123.6% ret 15003 whilst holding the 50 day moving average, we shall see?



USD CAD weekly : Another cross that represented the USD strength well but has WANED recently. We continue to trade sideways above the 50 day moving average 1.2845.



# USD EM

THIS IS WHERE THE MOVES SHOULD BE.

- Generally the USD looks like being the WEAKER leg against EM and ESPECIALLY on the following charts, MANY presenting cheap trade opportunities.
- USDMXN I have broken down as a trade to highlight the RSI failing to assist in the move.
- Some ideas are already working. Nice tops now in USD vs BRL, TRY, ZAR, RUB, MYR, INR, TWD and SGD!

USD MXN quarterly : This is one of those crosses at an “opportunity” location. As the chart highlights we have 2 major upside pierces, a breach of the 17.4503 previous low will confirm overall failure. The RSI is a bit WANTING so position size should reflect this.





USD MXN weekly : We have posted a nasty upside pierce at the 23.6% ret 19.6531 and now sub the moving average 19.0628 is BEARISH. Any close sub the 38.2% ret 1.1795 will trigger MAJOR stops.



USD BRL weekly : We are struggling to TOP OUT but the recent HIGH remains, JUST!



USD BRL weekly : We continue to build weeks of range trading sub the previous high.  
It might be worth a USD short with stop just above the 100% ret 4.2483.



GTBRL10Y daily : Brazilian YIELDS have been grinding lower and need to breach the 50 day moving average 11.793 to allow for further DECLINE.



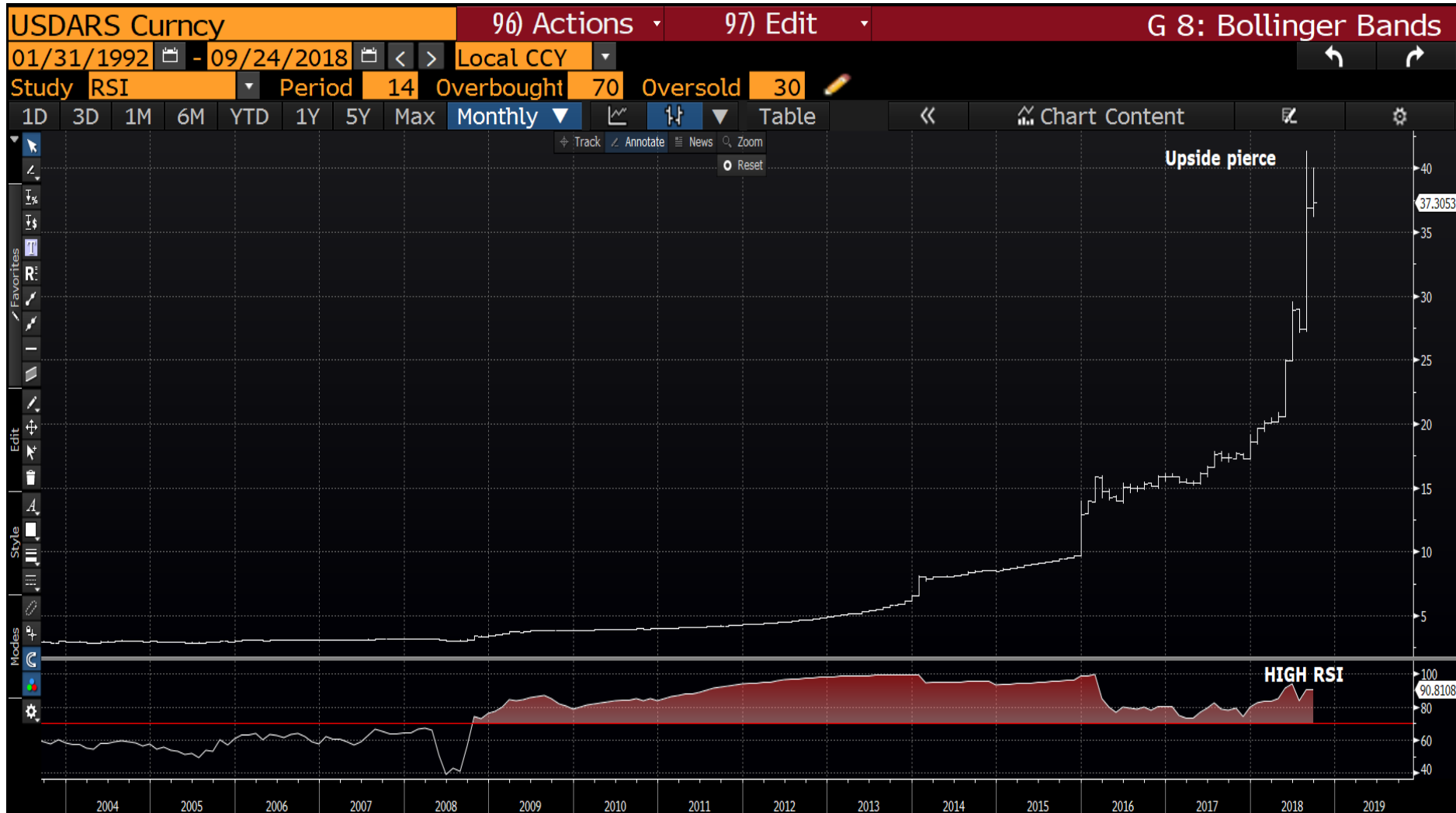
USD TRY monthly : We look to be close to a top and sub 6.00 should confirm that. This reminds me of a STUNT plane about to stall.



USD TRY weekly : Sub 6.00 will add to the triangle break witnessed this week.



USD ARS weekly : The RSI is high and it FINALLY looks like a TOP is in technically and FUNDAMENTALLY.



USD ZAR monthly : The long-term retracement works WELL again, taken from 2002 it shows the LATEST hit at the 123.6% ret 15.7859. This could warrant a short and stop above 16.00, but do remember this is a PRICE only trade as the RSI is poor.





USD ZAR weekly : We have a top in and sub the 50% ret 14.7124 vindicates the SHORT, below the 38.2% ret 13.9561 brings further stops.



USD RUB monthly : Yet again a long-term retracement offers up a decent level to work from. The USD should head lower.



USD RUB weekly : We are now sub the 38.2% ret 67.1700 and plenty of opportunity to head toward lower.



USD CNH weekly : This has performed well of late but a TOP seems to be forming. The RSI is a big bonus and preference would be a small short here, stop above 6.9665 and ADD significantly below the 100% ret 6.7850.



USD MYR weekly : The RSI speaks volumes and would try a SMALL short USD MYR and ADD on a break of the 23.6% ret 4.1325. Stop just shy of 4.200.



USD INR weekly : This chart is a GREAT compliment to the previous, the RSI is as HIGH as September 2013 and we are in between NUMEROUS predicted retracement levels. We either fail here at the 138.2% ret 72.8598 OR stall at the 150% ret 74.100, but stall it will so be ready.



USD TWD weekly : The RSI has remained high whilst we struggle to breach the MULTI-YEAR 38.2% ret 30.850. This is again worth a short BUT a tight stop above 31.00.



USD SGD weekly : A similar situation to most ASIAN crosses in that the RSI is high and just awaiting the inevitable!





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