

# FX UPDATE

- EM to the RESCUE! EM continues do well aided by the Brazilian outcome, its one of the opportunities to hold for the long run.
- MANY USD-EM crosses now have SIZEABLE long-term tops formed. 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.
- \*\*\*\*CORE FX remains DULL in comparison to EM, except the EURO.\*\*\*\*
- Positions :
- December 107.00 Puts for 35.0 ticks (Now 2.50/3.50).
- October 112.50 Puts for 17.0. (Now 0.00).
- \*\*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. The shaded areas highlight the MAJOR DROP periods and potentially one on this quarter. A breach of the 50% ret 1.1241 will be catastrophic as the draw over the NEXT year will be 1.0109!



EUR USD daily : We have had PERIODS of sideways activity before the BIG DROP.  
We continue to reject all efforts to bounce and whilst sub the 1.1606 – 1.1597 23.6% ret  
the trend remains LOWER.



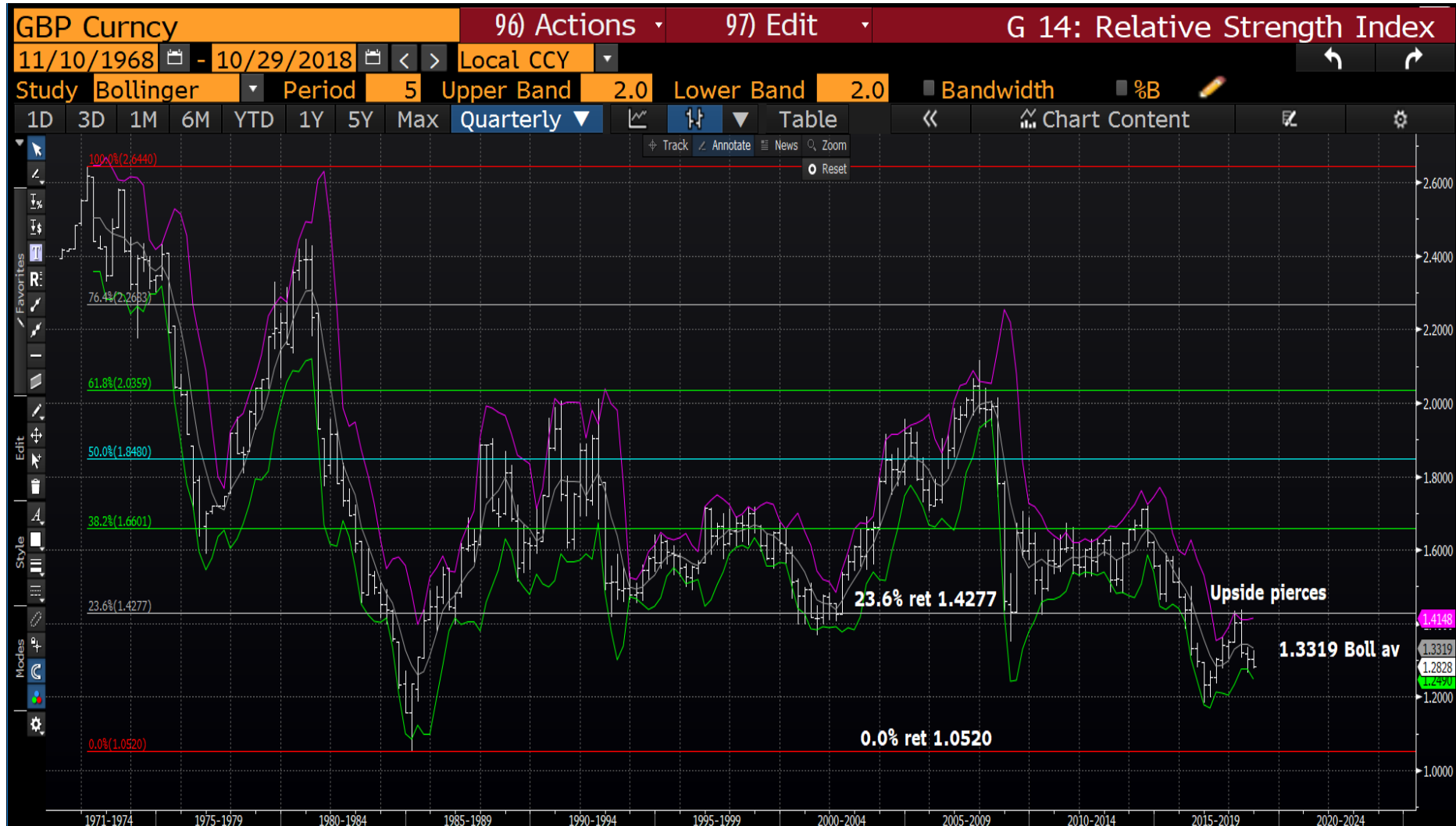
EUR GBP quarterly : The 3 upside pierces of late are VERY BEARISH and will be vindicated by a close sub the 0.88567 bollinger average. Hopefully this STILL hints at a weaker EURO going forward.



EUR GBP daily : We are teasing around the 100 day moving average 0.88838, hopefully this means we have a decision shortly.



Cable Quarterly : We are grinding lower aided failure of bollinger average 1.3319.



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Cable weekly : We continue to grind lower and poised to take out a very important level  
i.e the 61.8% ret 1.2811.



DXY monthly : We continue to GRIND and now above the 50% ret 96.036 then next target is the 61.8% ret 97.873.





AUD USD monthly : New month, NEW LOW. A very simple and uninterrupted decline on the year.



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AUD USD monthly : We continue to grind lower aided by the VERY reliable 50 day moving average 0.7181. ONE WAY TRAFFIC.



# USD NZD daily : Another advocate of the 50 day moving average, we continue to HOLD AND GRIND.



USD CAD weekly : We continue to GRIND higher above the 50 day moving average 1.2876. A breach of the 23.6% ret 1.3369 will be significant.



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# USD EM

THIS IS WHERE THE MOVES SHOULD BE.

- **REAL MONEY** has been keen to take advantage of bond yields in this area given the **TURKEY** situation has abated. Many have also sold the USD verses EM cross. Above all some major extremes and trend to participate in.
- **USDBRL** has liven up given the weekend events and **USDTRY** poised to take out 5.5577 KEY support
- **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 weekly : A pretty sideways performance of late but are we FORMING a HEAD AND SHOULDERS?



USD BRL weekly : A VERY WELL DEFINED top AIDED by the election outcome. This has formed a MAJOR STALL similar to the previous examples, sub the 23.6% ret 3.6089 will trigger significant stops. This should be a long-term HOLD.



USD BRL weekly : We need to capitalise on the move from the highs, ideally we close sub the 23.6% ret 3.6089 and moving average 3.5672 there after.





GTBRL10Y weekly : Brazilian YIELDS continue to drop aided by the recent MOVING AVERAGE breach 10.665.



USD TRY monthly : Momentum seems to be picking up and we have along way to go having breached the 23.6% ret 5.8006, next target is the 38.2% ret 4.9125.



USD TRY monthly : This chart says it all, a KEY LEVEL HERE. Sub 5.5577 will be a MAJOR breach.



USD ZAR monthly : We have failed nicely and a breach of the 100% ret 13.8401 will endorse the TOP and lower prices.



USD RUB monthly : Another nice failure on the month, hopefully we can breach the 38.2% ret 61.9293 and 60.9178 moving average.



USD CNH weekly : We have reached the previous high and struggling to create a TOP, the RSI is high but maybe not high enough. Keep an eye on it tis week for that ILLUSIVE top.



USD INR weekly : The RSI is as HIGH as September 2013 and we APPEAR to be forming a TOP, confirmed once we breach the 138.2% ret 72.8598.



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