

Daily FX Focus

16/8/2022

Important Risk Warning

- The investment decision is yours but you should not invest in this product unless the intermediary who sells it to you has explained to you that the product is suitable for you having regard to your financial situation and investment experience.
- Investment involves risk. Loss may be incurred as well as profits made as a result of buying and selling investment products.
- Currency conversion risk - the value of your foreign currency and RMB deposit will be subject to the risk of exchange rate fluctuation. If you choose to convert your foreign currency and RMB deposit to other currencies at an exchange rate that is less favourable than the exchange rate in which you made your original conversion to that foreign currency and RMB, you may suffer loss in principal.
- RMB is currently not freely convertible and subject to regulatory restrictions (which might be changed from time to time).

FX Focus:AUD/USD

AUD weakened against U.S. dollar post the softer China industrial production data and the surprising China rate cut of 10bps to 2.75%, undermining the risk-sensitive AUD. AUD stayed pressurized ahead of RBA minutes and fell 1.18% and once touched 0.7009 yesterday while AUDHKD ended at 5.50 level.

Currency	Current Trend	Support / Resistance	Market commentary
AUD	↘	vs USD 0.6947 / 0.7215	AUD weakened against U.S. dollar post the softer China industrial production data and the surprising China rate cut of 10bps to 2.75%, undermining the risk-sensitive AUD. AUD stayed pressurized ahead of RBA minutes and fell 1.18% and once touched 0.7009 yesterday while AUDHKD ended at 5.50 level.
EUR	↘	vs USD 1.0113 / 1.0386	EURUSD fell to 3-day lows of 1.0153 and struggled to hold at 1.02 level post the unexpected China rate cut of 10bps and the softer China industrial production data which drove the haven demand on U.S. dollar. The dollar index rose 0.82% and EURUSD fell 0.98% yesterday while EURHKD ended at 7.96 level.
GBP	↘	vs USD 1.1963 / 1.2295	GBPUSD struggled to hold above 1.21 level due to the strengthened haven demand of U.S. dollar. The surprise rate cut of PBoC fueled the market concerns for gloomy economic outlook in China, which drove up the dollar index by 0.82% and GBPUSD fell 0.63% yesterday, while GBPHKD ended at 9.44 level.
NZD	↘	vs USD 0.6273 / 0.6551	New Zealand's Services NZ PSI came out at 51.2, down from 54.7 in June. NZDUSD weakened from near 2 months high to the mid-0.63 level as worries about China's economic outlook deepened. NZDUSD fell 1.32% yesterday while NZDHKD ended at 4.98 level. Markets eye on tomorrow's RBNZ interest rate decision.
RMB	↗	vs USD 6.7157 / 6.7756	PBoC cut both MLF rate and 7-day reverse repo rate by 10bps. USDCNH rallied to near 14 weeks high 6.8197 due to disappointing Chinese data. China's retail sales registered at 2.7%, below estimates at 5% while industrial production also missed expectations. USDCNH rose 1.17% yesterday while CNH HKD ended at 1.14 level.
CAD	↘	vs USD 1.2671 / 1.2930	USDCAD strengthened to near one week high as CAD was weighed by weaker oil prices amid rising demand fears. The pair was also supported by broad dollar strength as worries on China's economic outlook sparked haven demand. USDCAD rose 1.06% yesterday while CADHKD ended at 6.07 level.
JPY	↗	vs USD 130.09 / 137.16	Japan's Q2 GDP expanded at 2.2% y-o-y, but still below estimates of 2.5% y-o-y. USDJPY once broke below the 133 gate along falling U.S. treasury yields but then recovered partially. USDJPY fell 0.08% yesterday while JPYHKD ended at 5.87 level. Markets eye on Japan's Balance of Trade data tomorrow.
CHF	↘	vs USD 0.9299 / 0.9598	SNB's sight deposits rose by 1.7B CHF last week, the second consecutive week of increase, indicating that SNB could be reacted to CHF's strength. U.S. dollar rose amid rising global recession worries, supporting USDCHF, the pair rose 0.57% yesterday while CHFHKD ended at 8.28 level.
SGD	↘	vs USD 1.3614 / 1.3855	The unexpected China rate cut of 10bps to 2.75% and disappointing China data boosted the haven demand for U.S. dollar and fueled the rising global recession fear. The dollar index rose 0.82% and USDSGD rose 0.53% yesterday, recovering back and once edging towards 1.38 level, while SGD HKD ended at 5.68 level.

* Current Trend observations pertain to historical trend technical analysis only and do not reflect any forward looking fundamental views. The signal is generated with the the 20-days moving average as the main determining factor. A secondary reference, the 50-day moving average, can be used if needed.

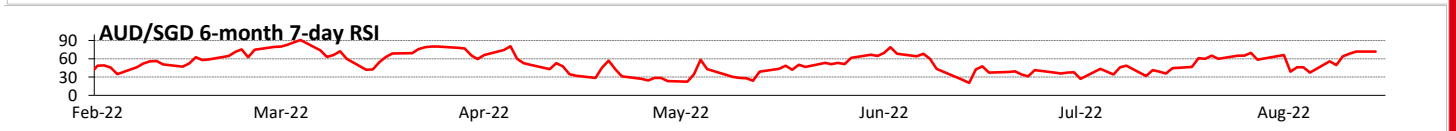
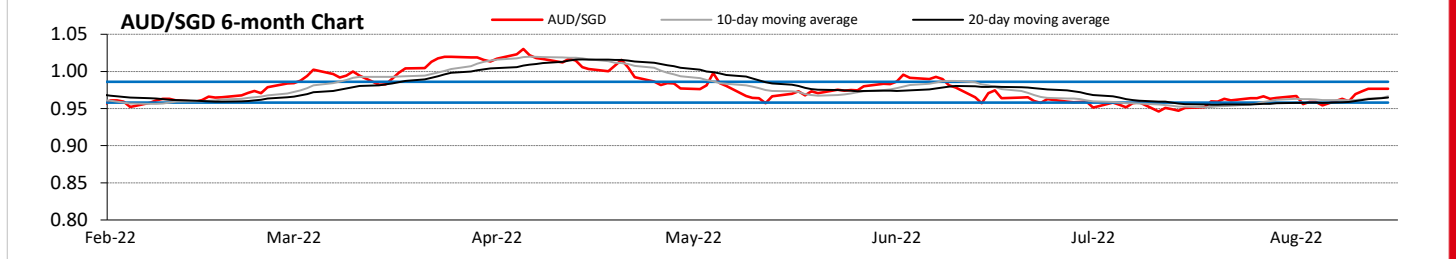
→	Consolidation, indicates that the currency's movement against USD has remained sideways
↗	Up Trend, indicates that the currency has been moving higher against the USD
↘	Down Trend, indicates that the currency has been moving lower against the USD

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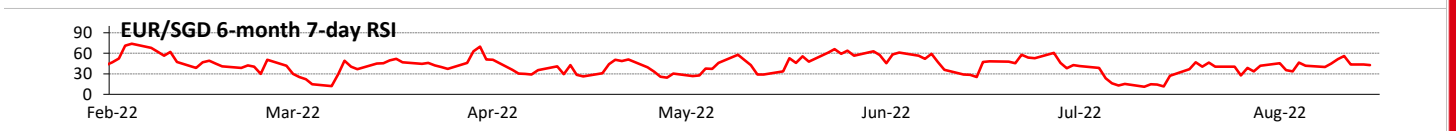
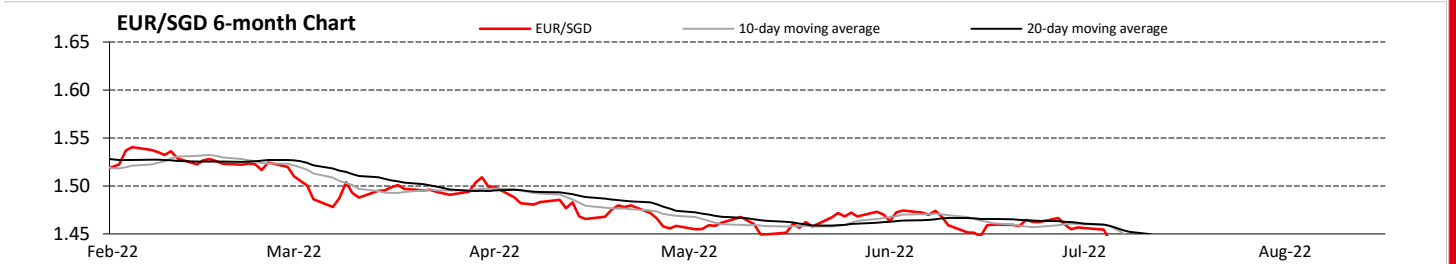
AUD	↘	RBA raised benchmark interest rate in July. AUD weakened against U.S. dollar post the softer China industrial production data and the surprising China rate cut of 10bps to 2.75%, undermining the risk-sensitive AUD. AUD stayed pressurized ahead of RBA minutes and fell 1.18% and once touched 0.7009 yesterday while AUDHKD ended at 5.50 level.
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Technical Analysis	vs SGD	vs USD	Market's Focus
16-Aug	0.9760	0.7120	
Daily change:	0.34%	0.23%	(-) Australia Q1 GDP rose 3.3% YoY, lower than an increase of 4.4% in previous quarter
High*	0.9773	0.7136	(+) Australia June unemployment rate arrived at 3.5%, lower than 3.9% in previous month
Low*	0.9496	0.6868	(-) Australia July Commodity Price Index arrived at 14.1%, lower than 29.2% in previous month
Support1*	0.9580	0.6947	(-) Australia Q2 CPI rose 1.8% YoY, lower than an increase of 2.1% in previous quarter
Support2*	0.9400	0.6774	
Resistance1*	0.9860	0.7215	
Resistance2*	0.9950	0.7310	



EUR	↘	ECB raised benchmark interest rate in July. EURUSD fell to 3-day lows of 1.0153 and struggled to hold at 1.02 level post the unexpected China rate cut of 10bps and the softer China industrial production data which drove the haven demand on U.S. dollar. The dollar index rose 0.82% and EURUSD fell 0.98% yesterday while EURHKD ended at 7.96 level.
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Technical Analysis	vs SGD	vs USD	Market's Focus
16-Aug	1.4070	1.0260	
Daily change:	-0.46%	-0.57%	
High*	1.4191	1.0368	(+) Eurozone July CPI rose 8.9% YoY, higher than an increase of 8.6% in previous month
Low*	1.3992	1.0095	(-) Germany July manufacturing PMI arrived at 49.3, lower than 52 in previous month
Support1*	1.3970	1.0113	(-) Germany July Business Climate arrived at 88.6, lower than 92.2 in previous month
Support2*	1.3880	0.9967	
Resistance1*	1.4170	1.0386	
Resistance2*	1.4280	1.0513	

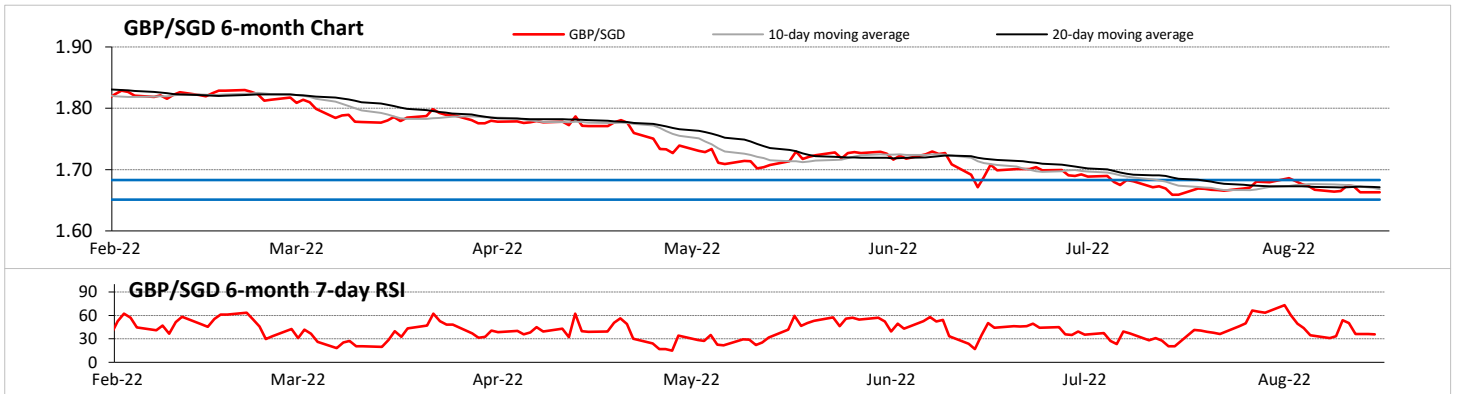


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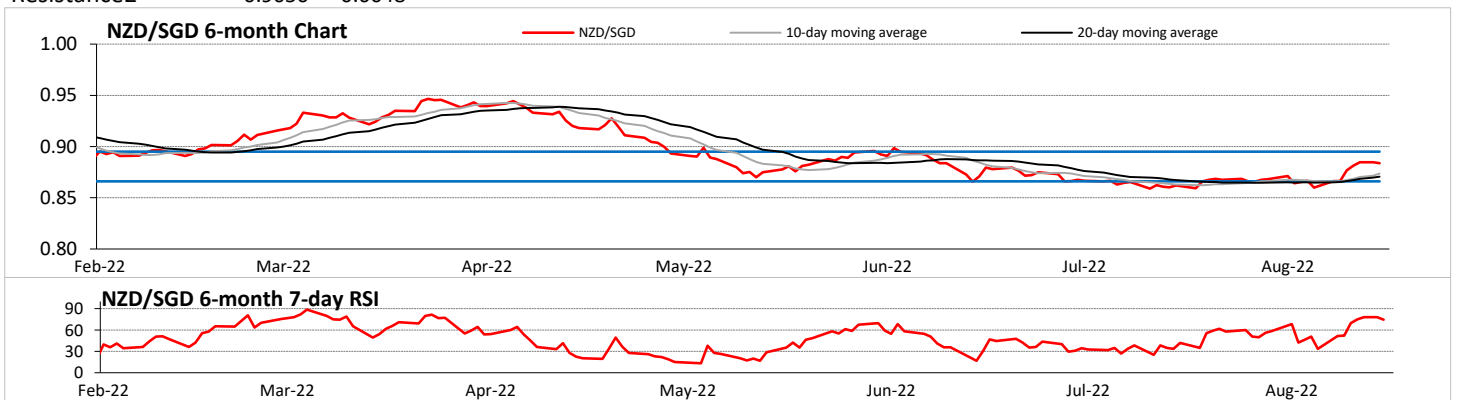
GBP	↓	<p>Bank of England increased benchmark interest rate in August. GBPUSD struggled to hold above 1.21 level due to the strengthened haven demand of U.S. dollar. The surprise rate cut of PBoC fueled the market concerns for gloomy economic outlook in China, which drove up the dollar index by 0.82% and GBPUSD fell 0.63% yesterday, while GBPHKD ended at 9.44 level.</p>
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Technical Analysis	vs SGD	vs USD	Market's Focus
16-Aug	1.6630	1.2130	
Daily change:	-0.57%	-0.67%	
High*	1.6914	1.2293	(+) UK June CPI rose 0.8% YoY, higher than an increase of 0.7% in previous month
Low*	1.6593	1.1961	(~) UK ILO May's 3Mths unemployment rate was at 3.8%, same as previous month
Support1*	1.6510	1.1963	(+) UK July Nationwide House Prices All Houses rose 11% YoY, higher than an increase of 10.7% in previous month
Support2*	1.6390	1.1796	
Resistance1*	1.6830	1.2295	
Resistance2*	1.7030	1.2460	



NZD	↓	<p>RBNZ raised benchmark interest rate in July. New Zealand's Services NZ PSI came out at 51.2, down from 54.7 in June. NZDUSD weakened from near 2 months high to the mid-0.63 level as worries about China's economic outlook deepen. NZDUSD fell 1.32% yesterday while NZDHKD ended at 4.98 level. Markets eye on tomorrow's RBNZ interest rate decision.</p>
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Technical Analysis	vs SGD	vs USD	Market's Focus
16-Aug	0.8850	0.6450	
Daily change:	0.40%	0.28%	
High*	0.8867	0.6468	(-) New Zealand Q1 GDP rose 1.2% YoY, lower than an increase of 3.1% in previous quarter
Low*	0.8577	0.6190	(+) New Zealand Q2 CPI rose 7.3% YoY, higher than an increase of 6.9% in previous quarter
Support1*	0.8660	0.6273	(-) New Zealand Q2 unemployment rate arrived at 3.3%, higher than 3.2% in previous quarter
Support2*	0.8470	0.6092	(-) New Zealand July Commodity Price Index arrived at -2.2%, dropped more than -0.4% in previous month
Resistance1*	0.8950	0.6551	
Resistance2*	0.9050	0.6648	

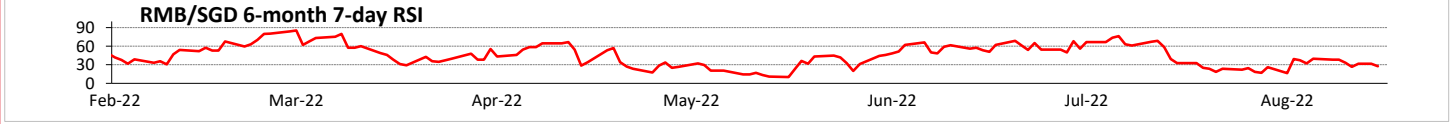
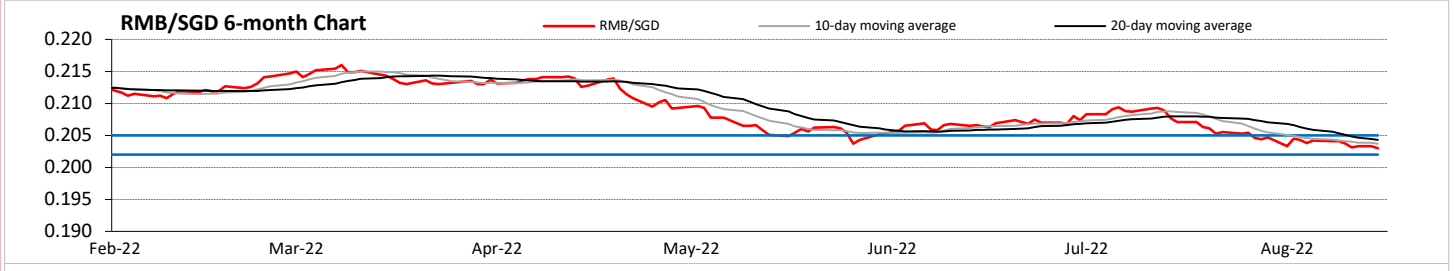


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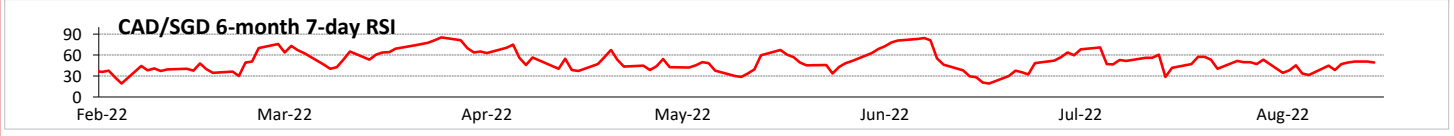
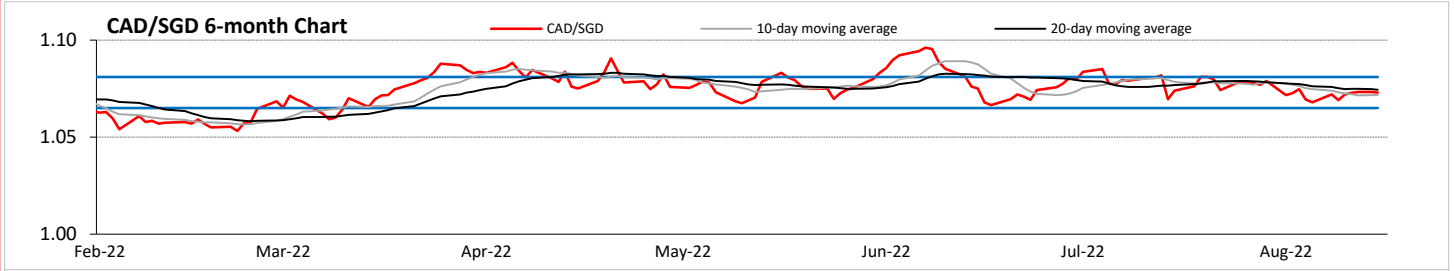
RMB	↗	<p>PBoC cut both MLF rate and 7-day reverse repo rate by 10bps. USDCNH rallied to near 14 weeks high 6.8197 due to disappointing Chinese data. China's retail sales registered at 2.7%, below estimates at 5% while industrial production also missed expectations. USDCNH rose 1.17% yesterday while CNHKKD ended at 1.14 level.</p>	
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Technical Analysis	vs SGD	vs USD	Market's Focus
16-Aug	0.2030	6.7430	
Daily change:	0.10%	-0.03%	(-) China Q2 GDP rose 0.4% YoY, lower than an increase of 4.8% in previous quarter
High*	0.2056	6.7819	(+) China July CPI rose 2.7% YoY, higher than an increase of 2.5% in previous month
Low*	0.2028	6.7220	(-) China July Caixin manufacturing PMI arrived at 50.4, lower than 51.7 in previous month
Support1*	0.2020	6.7157	(+) China June industrial production rose 3.9% YoY, higher than an increase of 0.7% in previous month
Support2*	0.2010	6.6889	
Resistance1*	0.2050	1.2295	
Resistance2*	0.2070	1.2460	



CAD	↘	<p>Bank of Canada raised benchmark interest rate in July. USDCAD strengthened to near one week high as CAD was weighed by weaker oil prices amid rising demand fears. The pair was also supported by broad dollar strength as worries on China's economic outlook sparked haven demand. USDCAD rose 1.06% yesterday while CADHKD ended at 6.07 level.</p>	
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Technical Analysis	vs SGD	vs USD	Market's Focus
16-Aug	1.0730	1.2770	
Daily change:	0.05%	0.09%	(+) Canada May GDP rose 5.6% YoY, higher than an increase of 5.1% in previous month
High*	1.0809	1.2984	(+) Canada June CPI rose 8.1% YoY, higher than an increase of 7.7% in previous month
Low*	1.0645	1.2725	(~) Canada July unemployment rate arrived at 4.9%, same as previous month
Support1*	1.0650	1.2671	(-) Canada July Manufacturing PMI arrived at 52.5, lower than 54.6 in previous month
Support2*	1.0570	1.2568	
Resistance1*	1.0810	1.2930	
Resistance2*	1.0890	1.3086	

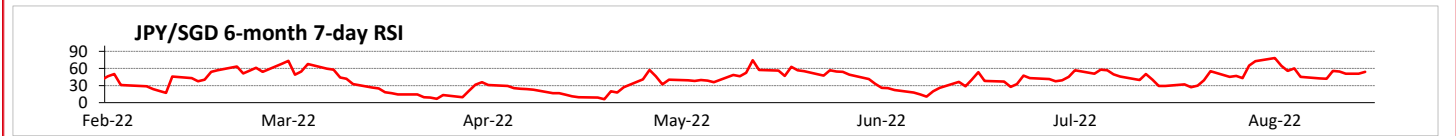
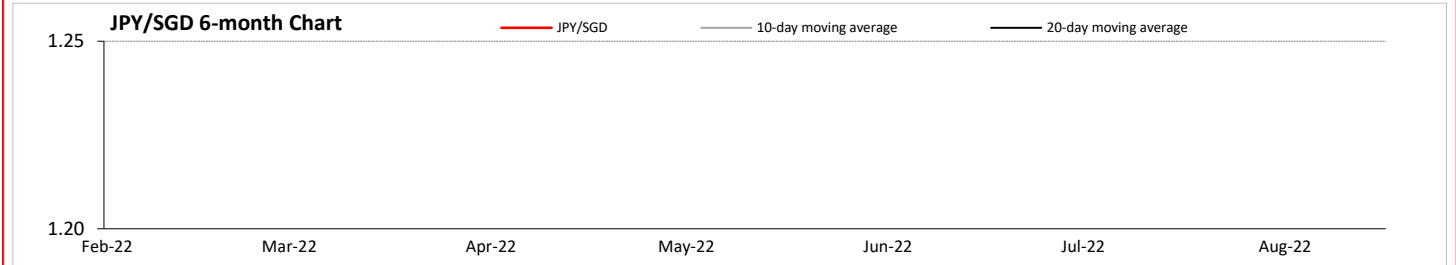


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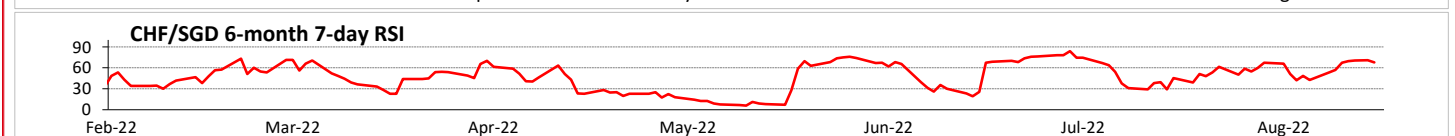
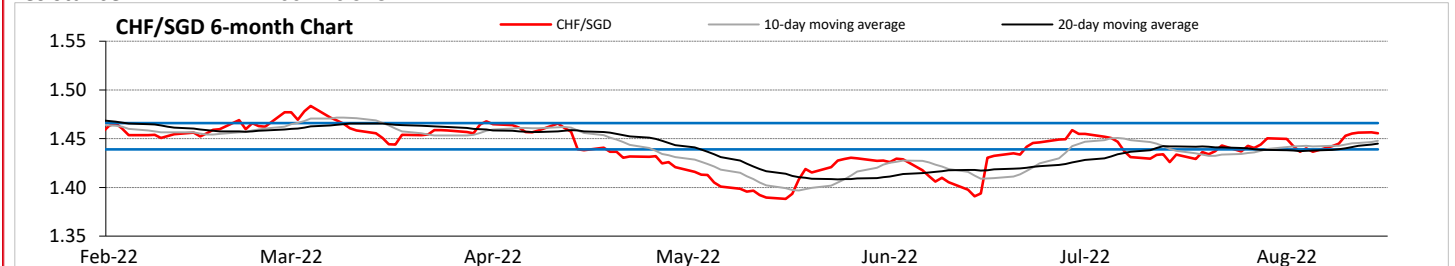
JPY	↗	<p>Bank of Japan kept benchmark interest rate unchanged in July. Japan's Q2 GDP expanded at 2.2% y-o-y, but still below estimates of 2.5% y-o-y. USDJPY once broke below the 133 gate along falling U.S. treasury yields but then recovered partially. USDJPY fell 0.08% yesterday while JPYHKD ended at 5.87 level. Markets eye on Japan's Balance of Trade data tomorrow.</p>
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Technical Analysis	vs SGD	vs USD	Market's Focus
16-Aug	1.0270	133.50	
Daily change:	-0.24%	0.36%	(+) Japan Q2 GDP rose 1.1% YoY, higher than an increase of 0.7% in previous quarter
High*	1.0568	137.46	(-) Japan June CPI nationwide ex fresh food rose 2.4% YoY, lower than an increase of 2.5% in previous month
Low*	1.0095	130.39	(-) Japan July manufacturing PMI arrived at 52.1, lower than 52.7 in previous month
Support1*	1.0050	130.09	(~) Japan June Industrial Production rose 8.9% MoM, same as previous month
Support2*	0.9840	126.71	
Resistance1*	1.0530	137.16	
Resistance2*	1.0780	140.85	



CHF	↘	<p>SNB raised benchmark interest rate in June. SNB's sight deposits rose by 1.7B CHF last week, the second consecutive week of increase, indicating that SNB could be reacted to CHF's strength. U.S. dollar rose amid rising global recession worries, supporting USDCHF, the pair rose 0.57% yesterday while CHFHKD ended at 8.28 level.</p>
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Technical Analysis	vs SGD	vs USD	Market's Focus
16-Aug	1.4560	0.9410	
Daily change:	0.05%	0.06%	(+) Switzerland Q1 GDP rose 4.4% YoY, higher than an increase of 3.6% in previous quarter
High*	1.4585	0.9668	(~) Switzerland July CPI rose 3.4% YoY, same as previous month
Low*	1.4314	0.9369	(~) Switzerland July unemployment rate arrived at 2.2%, same as previous month
Support1*	1.4390	0.9299	(+) Switzerland July Foreign Currency Reserves arrived at CHF 849.4 billion, higher than CHF 849 billion in previous month
Support2*	1.4220	0.9184	
Resistance1*	1.4660	0.9598	
Resistance2*	1.4760	0.9782	



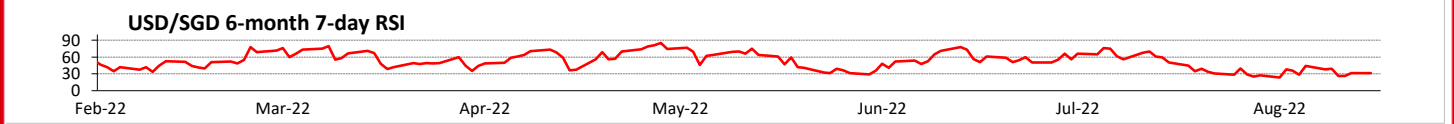
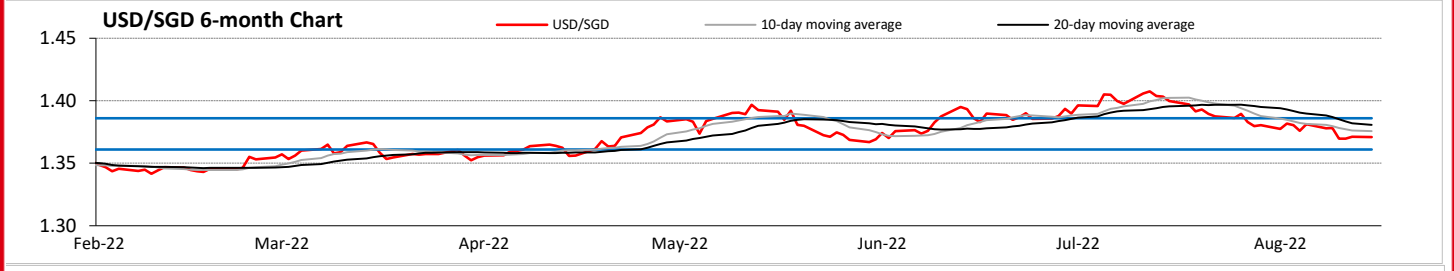
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SGD	↘	<p>The unexpected China rate cut of 10bps to 2.75% and disappointing China data boosted the haven demand for U.S. dollar and fueled the rising global recession fear. The dollar index rose 0.82 % and USDSGD rose 0.53% yesterday, recovering back and once edging towards 1.38 level, while SGDHKD ended at 5.68 level.</p>	
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Technical Analysis	vs USD	Market's Focus
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16-Aug	1.37	
Daily change:	0.11%	
High*	1.39	(+) Singapore June CPI rose 6.7% YoY, higher than an increase of 5.6% in previous month
Low*	1.37	(+) Singapore Q6 unemployment rate arrived at 2.1%, lower than 2.2% in previous quarter
Support1*	1.3614	(-) Singapore June Non Oil Domestic Exports rose 9% YoY, lower than an increase of 12% in previous month
Support2*	1.3518	
Resistance1*	1.3855	
Resistance2*	1.4000	



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Central Bank Rate

	Current	Prior	Date		Current	Prior	Date
FED Fund	2.50	1.75	22-Sep-22	Canada (BOC)	2.50	2.50	7-Sep-22
Europe (ECB)	0.50	0.00	8-Sep-22	Japan (BOJ)	-0.10	-0.10	22-Sep-22
UK (BOE)	0.75	0.50	15-Sep-22	Malaysia	2.25	2.25	8-Sep-22
Australia (RBA)	1.85	1.35	6-Sep-22	Taiwan	1.50	1.38	22-Sep-22
New Zealand (RBNZ)	2.50	2.00	17-Aug-22	Indonesia	3.50	3.50	23-Aug-22

Please take note that the primary sources of all the charts are from Reuters dated 16 Aug 2022 before 9:00 am

Terminology:

Support level: Is the currency level where it tends to find support as it is going down i.e. market participants tend to see value at these levels and price is more likely to bounce up than go lower.

Resistance level: Is the currency level where it tends to find resistance as it is going up i.e. market participants tend to consider this as a ceiling and prevent prices from going up further.

*Pivot points are used to determine the support and resistance levels, which may take into account the high, low and closing prices of the past 15 days. Please note that the indicative support and resistance level are given for general reference only. Customers should not rely on this information to buy or sell currency.

Relative Strength Index (RSI): Is a technical momentum indicator that compares the magnitude of recent gains to recent losses in an attempt to determine overbought and oversold conditions of an asset. The scale is 0 - 100 and typically overbought conditions are indicated by readings >70 and oversold conditions when <30.

Moving average: Is an indicator frequently used in technical analysis showing the average value of a currency's price over a set period. Moving averages are generally used to measure momentum and define areas of possible support and resistance. Moving averages are used to emphasize the direction of a trend and to smooth out price and volume fluctuations, or 'noise', that can confuse interpretation.

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