

Daily FX Focus

24/8/2022

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

AUDUSD rose for the second consecutive day and traded above 0.69 level yesterday. U.S. dollar weakened post softer U.S. August PMI and July new home sales data, both missing market expectations. AUDUSD rose 0.77% yesterday while AUDHKD ended at 5.43 level.

Currency	Current Trend	Support / Resistance	Market commentary
AUD	↘	vs USD 0.6776 / 0.7055	AUDUSD rose for the second consecutive day and traded above 0.69 level yesterday. U.S. dollar weakened post softer U.S. August PMI and July new home sales data, both missing market expectations. AUDUSD rose 0.77% yesterday while AUDHKD ended at 5.43 level.
EUR	↘	vs USD 0.9787 / 1.0231	Despite the mixed August S&P Global PMI data of Eurozone, Germany and France, EURUSD strengthened post upbeat Eurozone August consumer confidence data and softer U.S. economic data. The dollar index fell 0.48% and EURUSD rose 0.24% yesterday, but still traded below parity, while EURHKD ended at 7.82 level.
GBP	↘	vs USD 1.1577 / 1.2114	Despite the disappointing UK August S&P Global Manufacturing PMI, registering at 46 and below the expectation of 51.1, GBPUSD recovered to trade at 1.18 level post weaker than expected U.S. August PMI and July new home sales data yesterday. GBPUSD rose 0.48% yesterday while GBPHKD ended at 9.28 level.
NZD	↘	vs USD 0.6058 / 0.6371	NZDUSD traded in a tight range at the 0.61 handle early yesterday then spiked up and traded at 0.62 level as the U.S. dollar retreated due to disappointing U.S. New Home Sales and PMI data. NZDUSD rose 0.76% yesterday while NZDHKD ended at 4.87 level.
RMB	↗	vs USD 6.7630 / 6.8911	USDCNH traded in a choppy session yesterday, once strengthened to touch near two decades high 6.8848 as markets continue to digest China's bleak economic outlook, then weakened to trade at the 6.85 level due to weak U.S. data prints. USDCNH fell 0.21% yesterday while CNH HKD ended at 1.14 level.
CAD	↘	vs USD 1.2834 / 1.3170	USDCAD once strengthened to a five weeks high 1.3063 yesterday but fell to the 1.29 handle due to recovering oil price after OPEC+ and Saudi Arabia mentioned possible production cuts if needed and weak U.S. data release. USDCAD fell 0.80% yesterday while CADHKD ended at 6.05 level.
JPY	↗	vs USD 133.56 / 139.55	USDJPY reversed its recent uptrend yesterday, once touched one month high 137.71 but later fell to trade at the 136 level due to broad dollar weakness after a series of underperforming U.S. data. Along with falling U.S. treasury yields post data release, USDJPY fell 0.50% yesterday while JPYHKD ended at 5.73 level.
CHF	↘	vs USD 0.9456 / 0.9745	U.S. July new home sales registered at 0.511M, missed estimates of 0.575M, while U.S. August PMI also came below expectations. USDCHF was dominated by broad dollar weakness post data release, falling from one month high 1.4002. USDCHF fell 0.03% yesterday while CHFHKD ended at 8.13 level.
SGD	↘	vs USD 1.3764 / 1.4092	Singapore's July inflation rate rose 7% y-o-y as expected while the core inflation rate rose 4.8% y-o-y, above expectation of 4.7%, while U.S. August PMI and July new home sales data missed market expectations. USDSGD fell 0.44% and once traded below 1.39 level yesterday while SGD HKD ended at 5.63 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

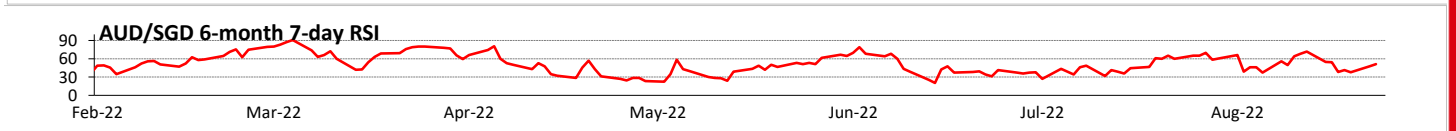
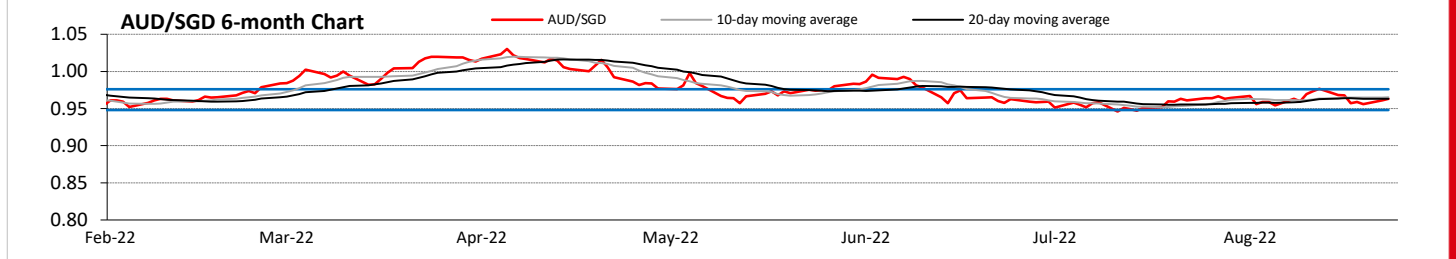


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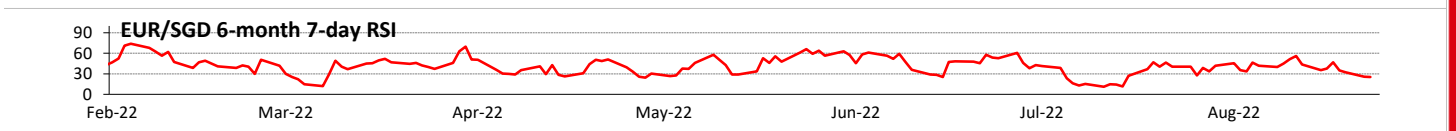
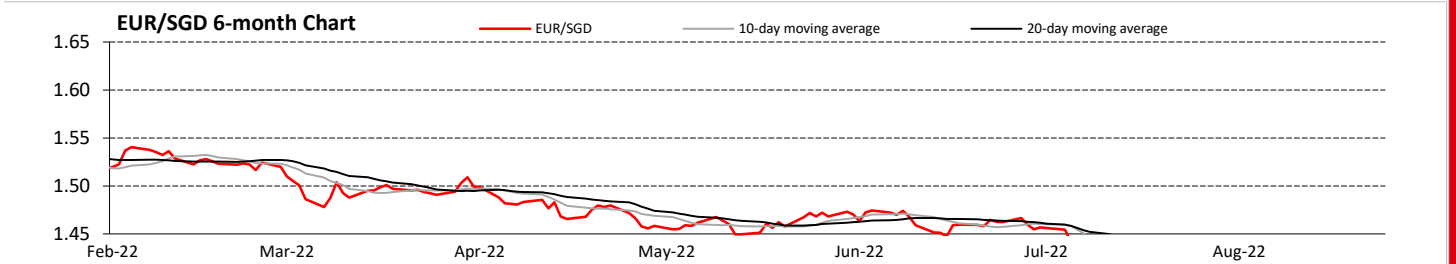
AUD	↘	<p>RBA raised benchmark interest rate in July. AUDUSD rose for the second consecutive day and traded above 0.69 level yesterday. U.S. dollar weakened post softer U.S. August PMI and July new home sales data, both missing market expectations. AUDUSD rose 0.77% yesterday while AUDHKD ended at 5.43 level.</p>	
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Technical Analysis	vs SGD	vs USD	Market's Focus
24-Aug	0.9610	0.6880	
Daily change:	0.53%	0.04%	(-) Australia Q1 GDP rose 3.3% YoY, lower than an increase of 4.4% in previous quarter
High*	0.9773	0.7136	(+) Australia July unemployment rate arrived at 3.4%, lower than 3.5% in previous month
Low*	0.9496	0.6857	(-) Australia July Commodity Price Index arrived at 14.1%, lower than 29.2% in previous month
Support1*	0.9480	0.6776	(-) Australia Q2 CPI rose 1.8% YoY, lower than an increase of 2.1% in previous quarter
Support2*	0.9350	0.6677	
Resistance1*	0.9760	0.7055	
Resistance2*	0.9900	0.7235	



EUR	↘	<p>ECB raised benchmark interest rate in July. Despite the mixed August S&P Global PMI data of Eurozone, Germany and France, EURUSD strengthened post upbeat Eurozone August consumer confidence data and softer U.S. economic data. The dollar index fell 0.48% and EURUSD rose 0.24% yesterday, but still traded below parity, while EURHKD ended at 7.82 level.</p>	
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Technical Analysis	vs SGD	vs USD	Market's Focus
24-Aug	1.3900	0.9940	
Daily change:	-0.44%	-0.93%	
High*	1.4182	1.0368	(+) Eurozone July CPI rose 8.9% YoY, higher than an increase of 8.6% in previous month
Low*	1.3872	0.9924	(+) Germany August manufacturing PMI arrived at 49.8, higher than 49.3 in previous month
Support1*	1.3790	0.9787	(-) Germany July Business Climate arrived at 88.6, lower than 92.2 in previous month
Support2*	1.3670	0.9634	
Resistance1*	1.4100	1.0231	
Resistance2*	1.4290	1.0522	

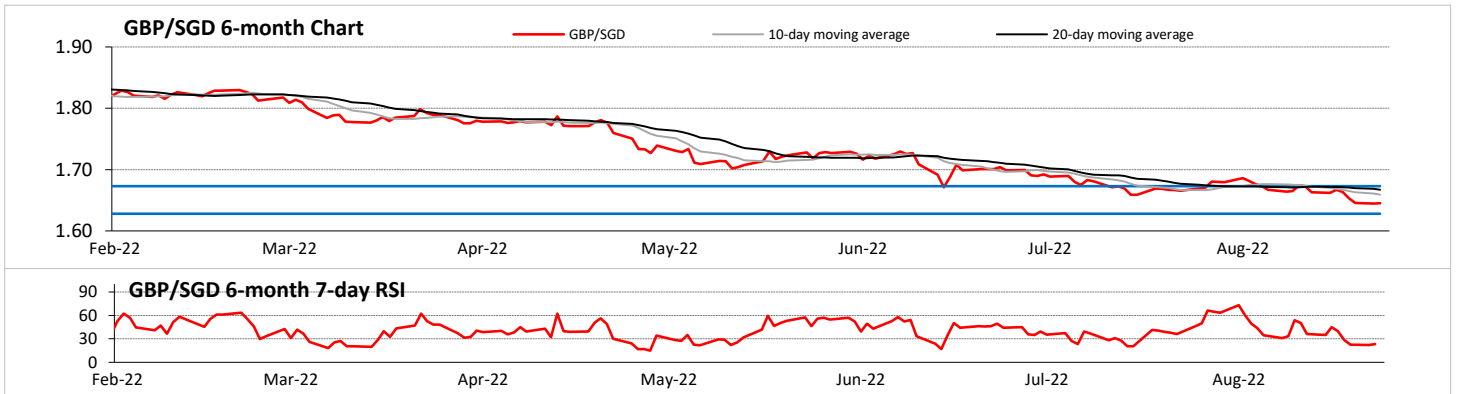


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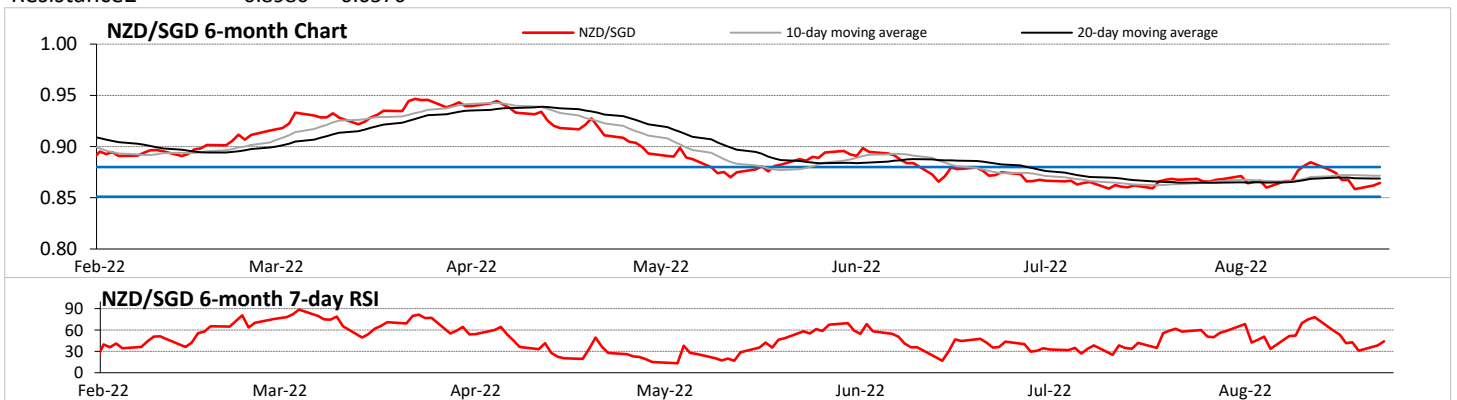
GBP	↓	<p>Bank of England increased benchmark interest rate in August. Despite the disappointing UK August S&P Global Manufacturing PMI, registering at 46 and below the expectation of 51.1, GBPUSD recovered to trade at 1.18 level post weaker than expected U.S. August PMI and July new home sales data yesterday. GBPUSD rose 0.48% yesterday while GBPHKD ended at 9.28 level.</p>
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Technical Analysis	vs SGD	vs USD	Market's Focus
24-Aug	1.6450	1.1770	
Daily change:	-0.05%	-0.52%	
High*	1.6856	1.2276	(-) UK July CPI rose 0.6% YoY, lower than an increase of 0.8% in previous month
Low*	1.6407	1.1739	(~) UK ILO June's 3Mths unemployment rate was at 3.8%, same as previous month
Support1*	1.6280	1.1577	(+) UK July Nationwide House Prices All Houses rose 11% YoY, higher than an increase of 10.7% in previous month
Support2*	1.6120	1.1390	
Resistance1*	1.6730	1.2114	
Resistance2*	1.7020	1.2464	



NZD	↓	<p>RBNZ raised benchmark interest rate in August. NZDUSD traded in a tight range at the 0.61 handle early yesterday then spiked up and traded at 0.62 level as the U.S. dollar retreated due to disappointing U.S. New Home Sales and PMI data. NZDUSD rose 0.76% yesterday while NZDHKD ended at 4.87 level.</p>
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Technical Analysis	vs SGD	vs USD	Market's Focus
24-Aug	0.8620	0.6170	
Daily change:	0.41%	-0.06%	(-) New Zealand Q1 GDP rose 1.2% YoY, lower than an increase of 3.1% in previous quarter
High*	0.8867	0.6468	(+) New Zealand Q2 CPI rose 7.3% YoY, higher than an increase of 6.9% in previous quarter
Low*	0.8575	0.6155	(-) New Zealand Q2 unemployment rate arrived at 3.3%, higher than 3.2% in previous quarter
Support1*	0.8510	0.6058	(-) New Zealand July Commodity Price Index arrived at -2.2%, dropped more than -0.4% in previous month
Support2*	0.8400	0.5950	
Resistance1*	0.8800	0.6371	
Resistance2*	0.8980	0.6576	

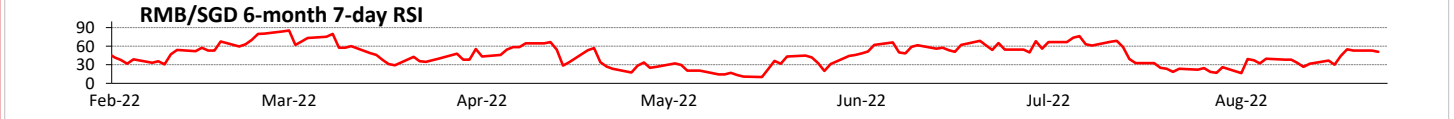
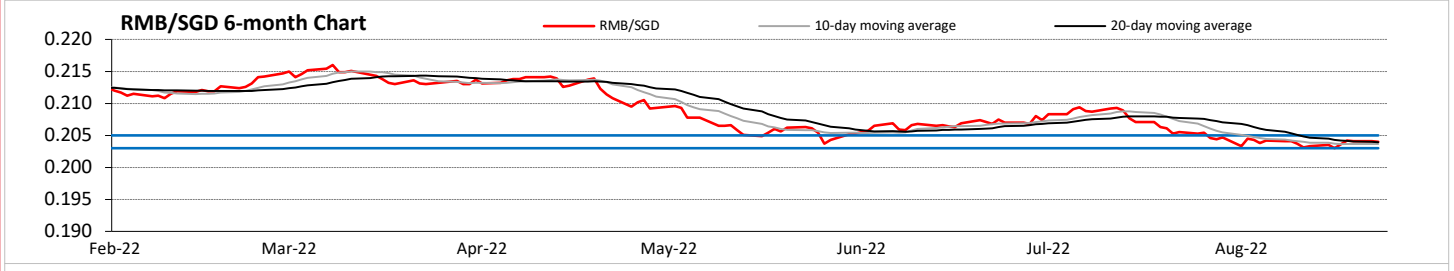


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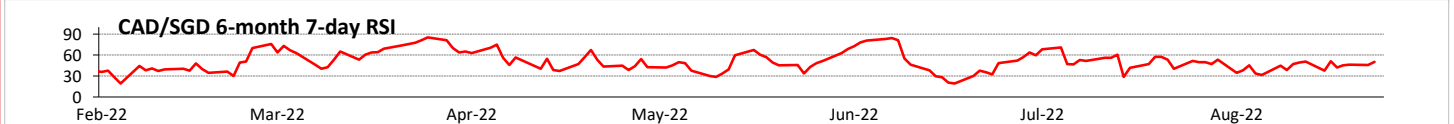
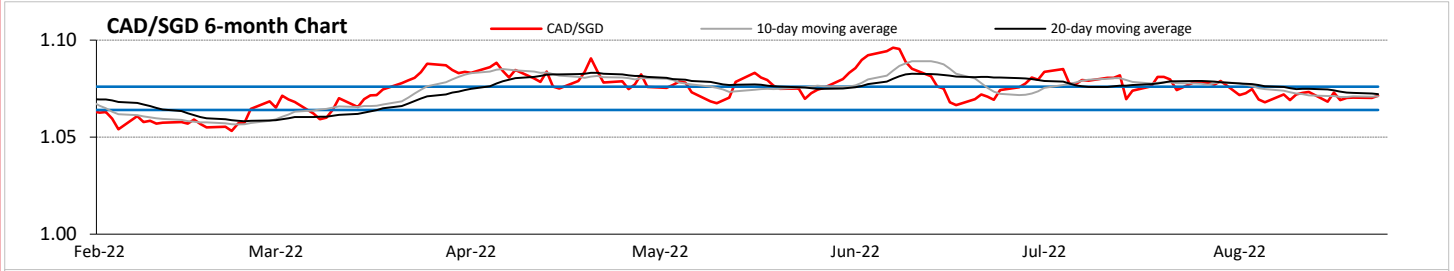
RMB	↗	<p>USDCNH traded in a choppy session yesterday, once strengthened to touch near two decades high 6.8848 as markets continue to digest China's bleak economic outlook, then weakened to trade at the 6.85 level due to weak U.S. data prints. USDCNH fell 0.21% yesterday while CNH HKD ended at 1.14 level.</p>
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Technical Analysis	vs SGD	vs USD	Market's Focus
24-Aug	0.2040	6.8480	
Daily change:	0.00%	0.46%	(-) China Q2 GDP rose 0.4% YoY, lower than an increase of 4.8% in previous quarter
High*	0.2050	6.8501	(+) China July CPI rose 2.7% YoY, higher than an increase of 2.5% in previous month
Low*	0.2027	6.7220	(-) China July Caixin manufacturing PMI arrived at 50.4, lower than 51.7 in previous month
Support1*	0.2030	6.7630	(-) China July industrial production rose 3.8% YoY, lower than an increase of 3.9% in previous month
Support2*	0.2020	6.6785	
Resistance1*	0.2050	1.2114	
Resistance2*	0.2060	1.2464	



CAD	↘	<p>Bank of Canada raised benchmark interest rate in July. USDCAD once strengthened to a five weeks high 1.3063 yesterday but fell to the 1.29 handle due to recovering oil price after OPEC+ and Saudi Arabia mentioned possible production cuts if needed and weak U.S. data release. USDCAD fell 0.80% yesterday while CAD HKD ended at 6.05 level.</p>
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Technical Analysis	vs SGD	vs USD	Market's Focus
24-Aug	1.0700	1.3060	
Daily change:	-0.01%	0.49%	(+) Canada May GDP rose 5.6% YoY, higher than an increase of 5.1% in previous month
High*	1.0758	1.3061	(-) Canada July CPI rose 7.6% YoY, lower than an increase of 8.1% in previous month
Low*	1.0636	1.2725	(*) Canada July unemployment rate arrived at 4.9%, same as previous month
Support1*	1.0640	1.2834	(-) Canada July Manufacturing PMI arrived at 52.5, lower than 54.6 in previous month
Support2*	1.0580	1.2612	
Resistance1*	1.0760	1.3170	
Resistance2*	1.0820	1.3284	

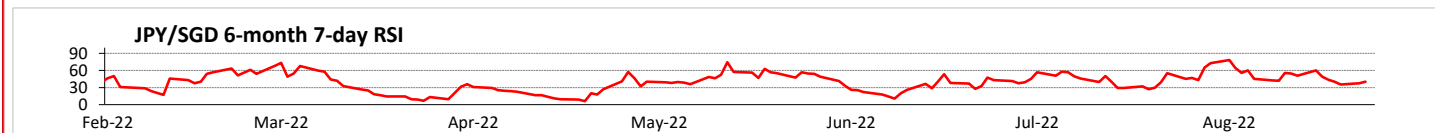
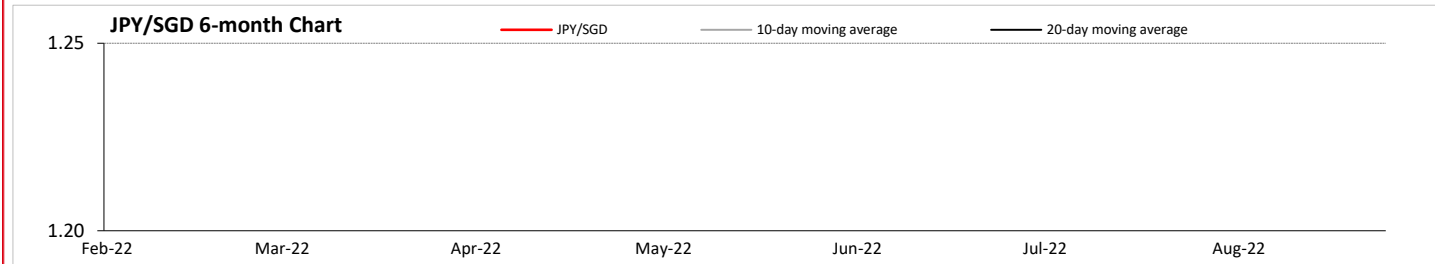


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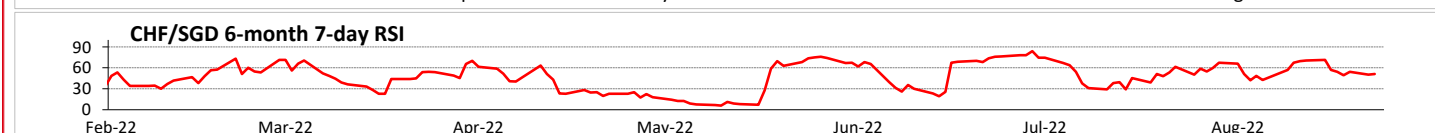
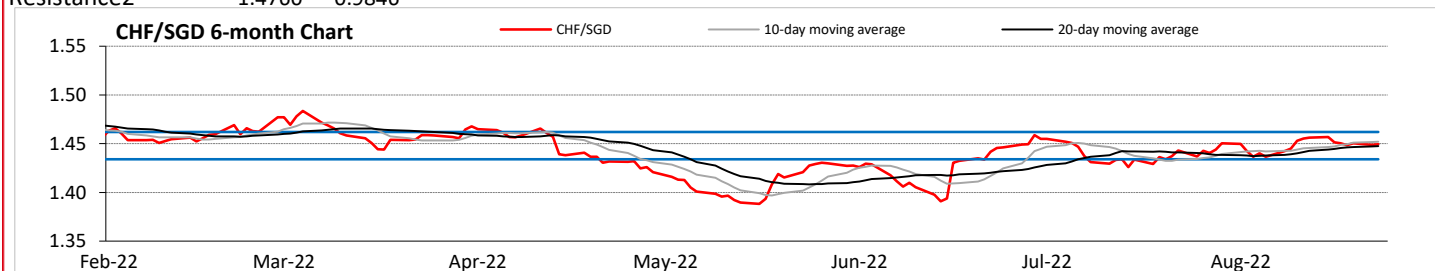
JPY	↗	<p>Bank of Japan kept benchmark interest rate unchanged in July. USDJPY reversed its recent uptrend yesterday, once touched one month high 137.71 but later fell to trade at the 136 level due to broad dollar weakness after a series of underperforming U.S. data. Along with falling U.S. treasury yields post data release, USDJPY fell 0.50% yesterday while JPYHKD ended at 5.73 level.</p>
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Technical Analysis	vs SGD	vs USD	Market's Focus
24-Aug	1.0170	137.50	
Daily change:	0.09%	0.39%	
High*	1.0434	137.71	(+) Japan Q2 GDP rose 1.1% YoY, higher than an increase of 0.7% in previous quarter
Low*	1.0136	131.72	(+) Japan July CPI nationwide ex fresh food rose 2.6% YoY, higher than an increase of 2.4% in previous month
Support1*	1.0060	133.56	(-) Japan August manufacturing PMI arrived at 51, lower than 52.1 in previous month
Support2*	0.9950	129.64	(~) Japan June Industrial Production rose 9.2% MoM, same as previous month
Resistance1*	1.0360	139.55	
Resistance2*	1.0540	141.62	



CHF	↘	<p>SNB raised benchmark interest rate in June. U.S. July new home sales registered at 0.511M, missed estimates of 0.575M, while U.S. August PMI also came below expectations. USDCHF was dominated by broad dollar weakness post data release, falling from one month high 1.4002. USDCHF fell 0.03% yesterday while CHFHKD ended at 8.13 level.</p>
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Technical Analysis	vs SGD	vs USD	Market's Focus
24-Aug	1.4490	0.9640	
Daily change:	-0.10%	0.57%	
High*	1.4601	0.9658	(+) Switzerland Q1 GDP rose 4.4% YoY, higher than an increase of 3.6% in previous quarter
Low*	1.4314	0.9369	(~) Switzerland July CPI rose 3.4% YoY, same as previous month
Support1*	1.4340	0.9456	(~) Switzerland July unemployment rate arrived at 2.2%, same as previous month
Support2*	1.4180	0.9268	(+) Switzerland July Foreign Currency Reserves arrived at CHF 849.4 billion, higher than CHF 849 billion in previous month
Resistance1*	1.4620	0.9745	
Resistance2*	1.4760	0.9846	

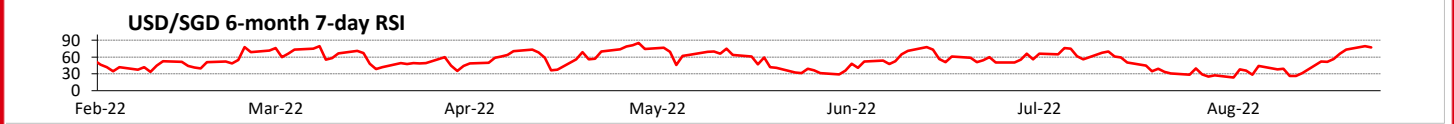
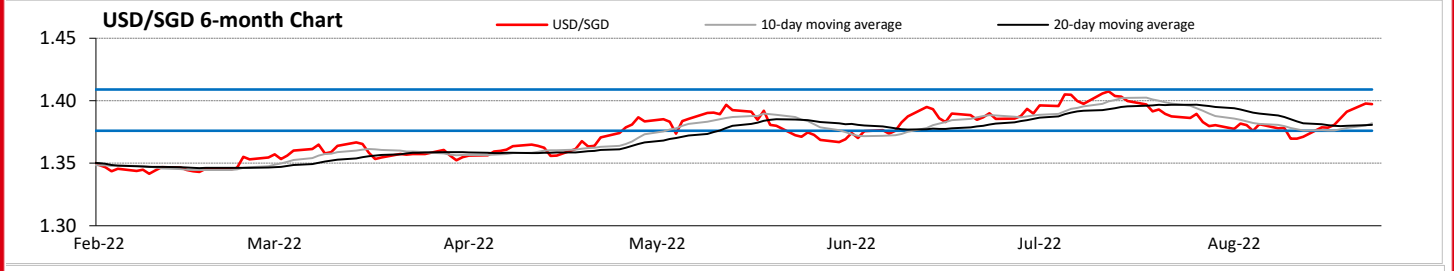


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SGD	↘	<p>Singapore's July inflation rate rose 7% y-o-y as expected while the core inflation rate rose 4.8% y-o-y, above expectation of 4.7%, while U.S. August PMI and July new home sales data missed market expectations. USDSGD fell 0.44% and once traded below 1.39 level yesterday while SGDHKD ended at 5.63 level.</p>	
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Technical Analysis	vs USD	Market's Focus
24-Aug	1.40	
Daily change:	0.48%	
High*	1.40	(+) Singapore July CPI rose 7% YoY, higher than an increase of 6.7% in previous month
Low*	1.37	(+) Singapore Q6 unemployment rate arrived at 2.1%, lower than 2.2% in previous quarter
Support1*	1.3764	(-) Singapore July Non Oil Domestic Exports rose 7% YoY, lower than an increase of 8.5% in previous month
Support2*	1.3549	
Resistance1*	1.4092	
Resistance2*	1.4205	



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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)	3.00	2.50	5-Oct-22	Indonesia	3.75	3.50	22-Sep-22

Please take note that the primary sources of all the charts are from Reuters dated 24 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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