

# Daily FX Focus

21/9/2022

## 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

RBA minutes showed that members see a slowing pace of rate hike and that monetary policy is not to be on a pre-set path going forward. Due to the dovish RBA minutes and broad dollar strength, AUDUSD weakened to trade below the 0.67 mark, overall AUDUSD fell 0.54% yesterday while AUDHKD ended at 5.24 level.

| Currency | Current Trend | Support / Resistance      | Market commentary  |
|----------|---------------|---------------------------|--|
| AUD      | ↘             | vs USD<br>0.6601 / 0.6849 | RBA minutes showed that members see a slowing pace of rate hike and that monetary policy is not to be on a pre-set path going forward. Due to the dovish RBA minutes and broad dollar strength, AUDUSD weakened to trade below the 0.67 mark, overall AUDUSD fell 0.54% yesterday while AUDHKD ended at 5.24 level.                          |
| EUR      | ↘             | vs USD<br>0.9822 / 1.0157 | ECB president Lagarde mentioned the possibility of raising interest rates to the restrictive territory if inflation remains persistently high. Despite the hawkish comment, EURUSD weakened to trade below parity on rising Russia-Ukraine tensions and broad dollar strength. EURUSD fell 0.51% yesterday while EURHKD ended at 7.82 level. |
| GBP      | ↘             | vs USD<br>1.1239 / 1.1629 | GBPUSD remained weighed and traded at the 1.13 handle ahead of interest rate decisions from the Fed today and the BoE tomorrow. Rising tensions on the Russia-Ukraine front also added pressure to the pair. The dollar index rose 0.56% yesterday and traded above the 110 mark, GBPUSD fell 0.46% while GBPHKD ended at 8.92 level.        |
| NZD      | ↘             | vs USD<br>0.5795 / 0.6072 | NZDUSD recorded the fourth consecutive session of downtrend and weakened to 29 months low 0.5884 yesterday as the U.S. dollar strengthened ahead of today's Fed interest rate decision and as risk-off sentiments remained elevated. NZDUSD fell 1.19% yesterday while NZDHKD ended at 4.62 level.   |
| RMB      | ↗             | vs USD<br>6.9314 / 7.0644 | PBoC kept both 1-year and 5-year loan prime rate unchanged as expected and continued to set firmer-than-expected CNY midpoint fixing. Despite PBoC's measures to support the CNH, USDCNH strengthened yesterday and traded firmly above the 7.00 mark. USDCNH rose 0.35% yesterday while CNHHKD ended at 1.11 level.                         |
| CAD      | ↘             | vs USD<br>1.3083 / 1.3508 | Canada August inflation rate rose 7% y-o-y, softer than expectations of 7.3% due to easing gasoline prices and shelter costs. USDCAD strengthened to trade above the 1.33 mark yesterday as markets scale back bets of BoC tightening amid softer inflation. USDCAD rose 0.85% yesterday while CADHKD ended at 5.87 level.                   |
| JPY      | ↗             | vs USD<br>140.09 / 146.17 | Rising U.S. treasury yields and broad dollar strength ahead of today's Fed interest rate decision provided support to USDJPY. The pair strengthened yesterday and traded steadily at the 143 handle. USDJPY rose 0.36% yesterday while JPYHKD ended at 5.46 level.   |
| CHF      | ↘             | vs USD<br>0.9456 / 0.9848 | Switzerland recorded 2.3B CHF trade surplus in August, largely unchanged from the previous month. CHF held up rather well against the U.S. dollar compared to its G10 peers, helped by heightened risk-off sentiments. USDCHF fell 0.04% yesterday while CHFHKD ended at 8.14 level.   |
| SGD      | ↘             | vs USD<br>1.3983 / 1.4162 | U.S. August housing starts rose 12.2% m-o-m to 1.575M while U.S. August building permits declined 10% to 1.517M. USDSGD strengthened to trade above the 1.41 mark yesterday as the U.S. dollar climbed ahead of the Fed's rate decision. USDSGD rose 0.16% yesterday while SGDHKD ended at 5.56 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.

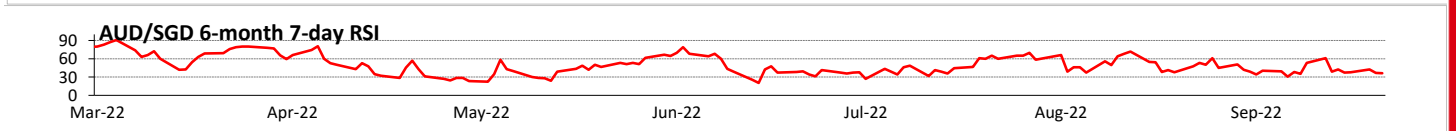
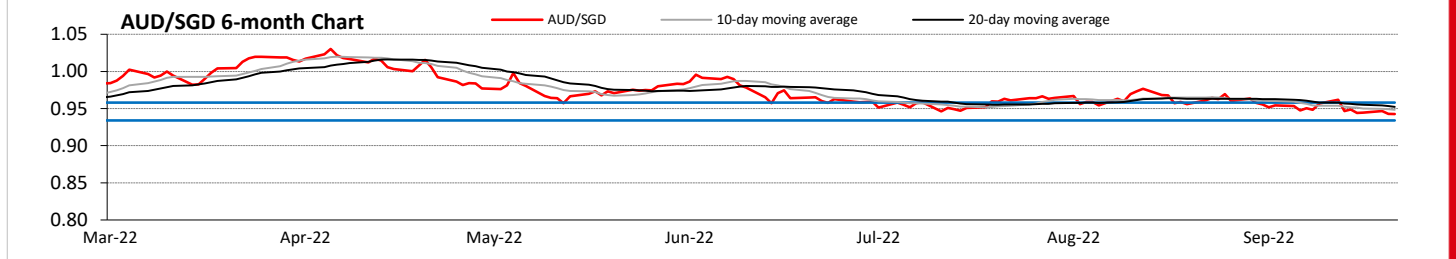
|   |   |
|---|---|
| → | Consolidation, indicates that the currency's movement against USD has remained sideways |
| ↗ | Up Trend, indicates that the currency has been moving higher against the USD            |
| ↘ | Down Trend, indicates that the currency has been moving lower against the USD     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

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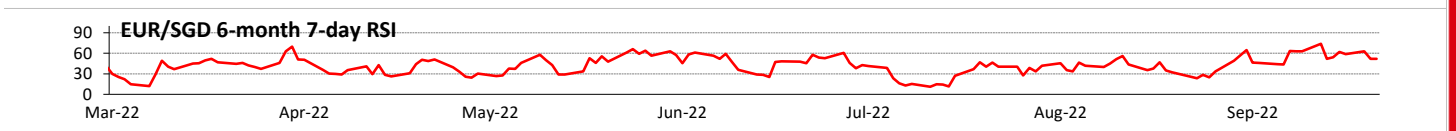
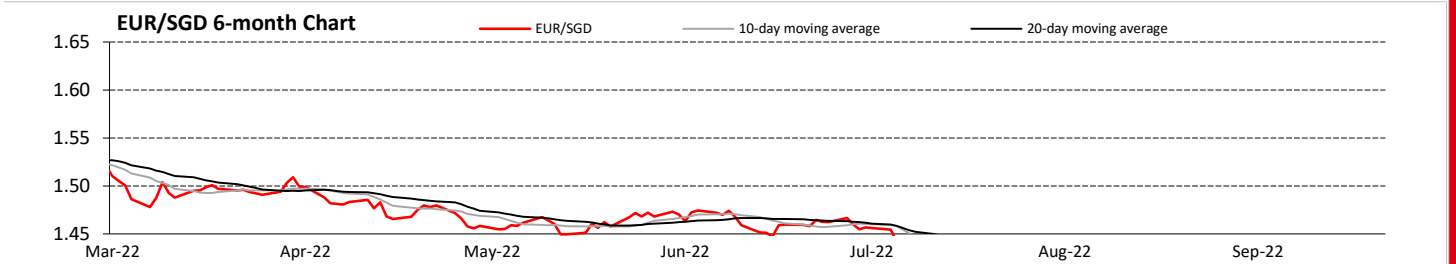
|            |   |   |  |
|------------|---|---|--|
| <b>AUD</b> | ↘ | <p>RBA raised benchmark interest rate in September. RBA minutes showed that members see a slowing pace of rate hike and that monetary policy is not to be on a pre-set path going forward. Due to the dovish RBA minutes and broad dollar strength, AUDUSD weakened to trade below the 0.67 mark, overall AUDUSD fell 0.54% yesterday while AUDHKD ended at 5.24 level.</p> |  |
|------------|---|---|--|

| Technical Analysis | vs SGD | vs USD | Market's Focus   |
|--------------------|--------|--------|--|
| 21-Sep             | 0.9430 | 0.6690 |  |
| Daily change:      | -0.41% | -0.54% | (+) Australia Q2 GDP rose 3.6% YoY, higher than an increase of 3.3% in previous quarter          |
| High*              | 0.9641 | 0.6916 | (-) Australia August unemployment rate arrived at 3.5%, higher than 3.4% in previous month       |
| Low*               | 0.9397 | 0.6668 | (+) Australia August Commodity Price Index arrived at 21.7%, higher than 10.3% in previous month |
| Support1*          | 0.9340 | 0.6601 | (-) Australia Q2 CPI rose 1.8% YoY, lower than an increase of 2.1% in previous quarter           |
| Support2*          | 0.9240 | 0.6510 |  |
| Resistance1*       | 0.9580 | 0.6849 |  |
| Resistance2*       | 0.9730 | 0.7006 |  |



|            |   |  |  |
|------------|---|--|--|
| <b>EUR</b> | ↘ | <p>ECB raised benchmark interest rate in September. ECB president Lagarde mentioned the possibility of raising interest rates to the restrictive territory if inflation remains persistently high. Despite the hawkish comment, EURUSD weakened to trade below parity on rising Russia-Ukraine tensions and broad dollar strength. EURUSD fell 0.51% yesterday while EURHKD ended at 7.82 level.</p> |  |
|------------|---|--|--|

| Technical Analysis | vs SGD | vs USD | Market's Focus   |
|--------------------|--------|--------|--|
| 21-Sep             | 1.4050 | 0.9970 |  |
| Daily change:      | -0.37% | -0.52% | (+) Eurozone August CPI rose 9.1% YoY, higher than an increase of 8.9% in previous month |
| High*              | 1.4234 | 1.0197 | (-) Germany August manufacturing PMI arrived at 49.1, lower than 49.3 in previous month  |
| Low*               | 1.3878 | 0.9862 | (-) Germany August Business Climate arrived at 88.5, lower than 88.7 in previous month   |
| Support1*          | 1.3880 | 0.9822 |  |
| Support2*          | 1.3700 | 0.9675 |  |
| Resistance1*       | 1.4230 | 1.0157 |  |
| Resistance2*       | 1.4410 | 1.0345 |  |

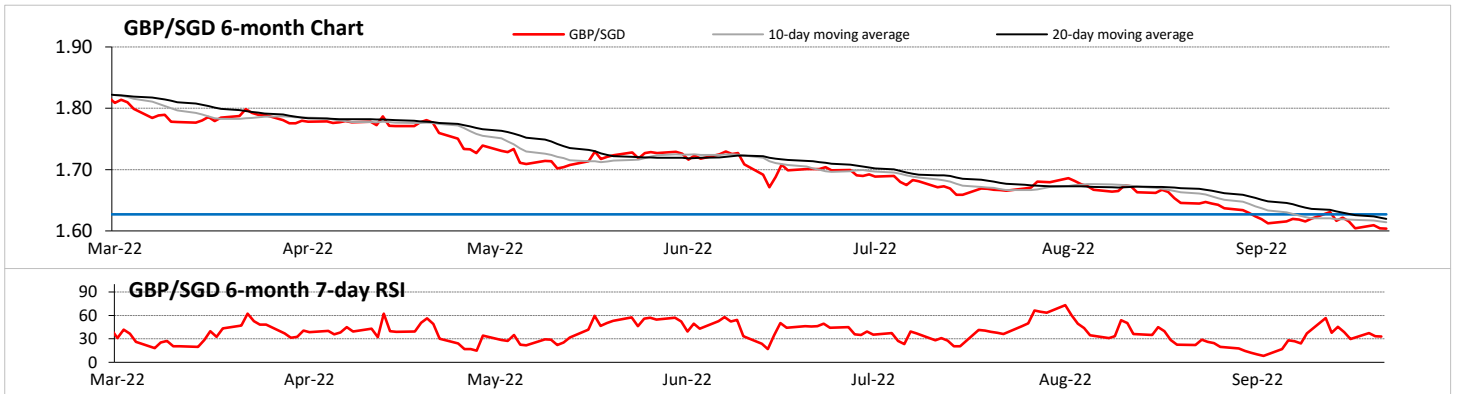


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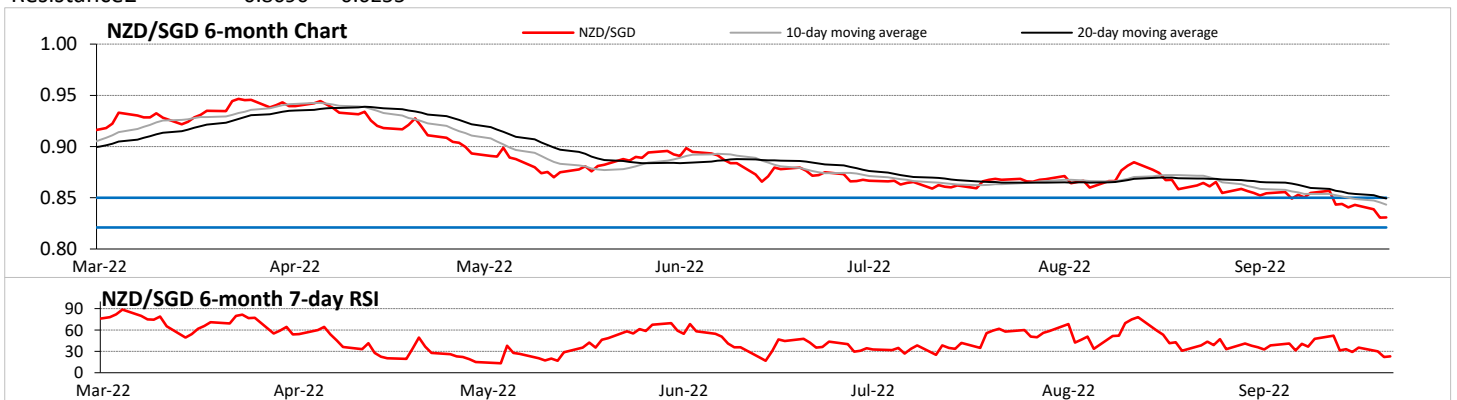
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|------------|---|---|
| <b>GBP</b> | ↘ | <p>Bank of England increased benchmark interest rate in August. GBPUSD remained weighed and traded at the 1.13 handle ahead of interest rate decisions from the Fed today and the BoE tomorrow. Rising tensions on the Russia-Ukraine front also added pressure to the pair. The dollar index rose 0.56% yesterday and traded above the 110 mark, GBPUSD fell 0.46% while GBPHKD ended at 8.92 level.</p> |
|------------|---|---|

| Technical Analysis | vs SGD | vs USD | Market's Focus   |
|--------------------|--------|--------|--|
| 21-Sep             | 1.6040 | 1.1380 |  |
| Daily change:      | -0.31% | -0.44% |  |
| High*              | 1.6366 | 1.1738 | (-) UK August CPI rose 0.5% YoY, lower than an increase of 0.6% in previous month                              |
| Low*               | 1.6004 | 1.1348 | (+) UK ILO July's 3Mths unemployment rate was at 3.6%, lower than 3.8% in previous month                       |
| Support1*          | 1.5910 | 1.1239 | (-) UK August Nationwide House Prices All Houses rose 10% YoY, lower than an increase of 11% in previous month |
| Support2*          | 1.5780 | 1.1098 |  |
| Resistance1*       | 1.6270 | 1.1629 |  |
| Resistance2*       | 1.6500 | 1.1878 |  |



|            |   |  |
|------------|---|--|
| <b>NZD</b> | ↘ | <p>RBNZ raised benchmark interest rate in August. NZDUSD recorded the fourth consecutive session of downtrend and weakened to 29 months low 0.5884 yesterday as the U.S. dollar strengthened ahead of today's Fed interest rate decision and as risk-off sentiments remained elevated. NZDUSD fell 1.19% yesterday while NZDHKD ended at 4.62 level.</p> |
|------------|---|--|

| Technical Analysis | vs SGD | vs USD | Market's Focus   |
|--------------------|--------|--------|--|
| 21-Sep             | 0.8310 | 0.5890 |  |
| Daily change:      | -0.97% | -1.21% | (-) New Zealand Q2 GDP rose 0.4% YoY, lower than an increase of 1% in previous quarter             |
| High*              | 0.8591 | 0.6161 | (+) New Zealand Q2 CPI rose 7.3% YoY, higher than an increase of 6.9% in previous quarter          |
| Low*               | 0.8299 | 0.5884 | (-) New Zealand Q2 unemployment rate arrived at 3.3%, higher than 3.2% in previous quarter         |
| Support1*          | 0.8210 | 0.5795 | (-) New Zealand August Commodity Price Index arrived at -3.3%, dropped more than -2.2% in previous |
| Support2*          | 0.8110 | 0.5701 | month  |
| Resistance1*       | 0.8500 | 0.6072 |  |
| Resistance2*       | 0.8690 | 0.6255 |  |

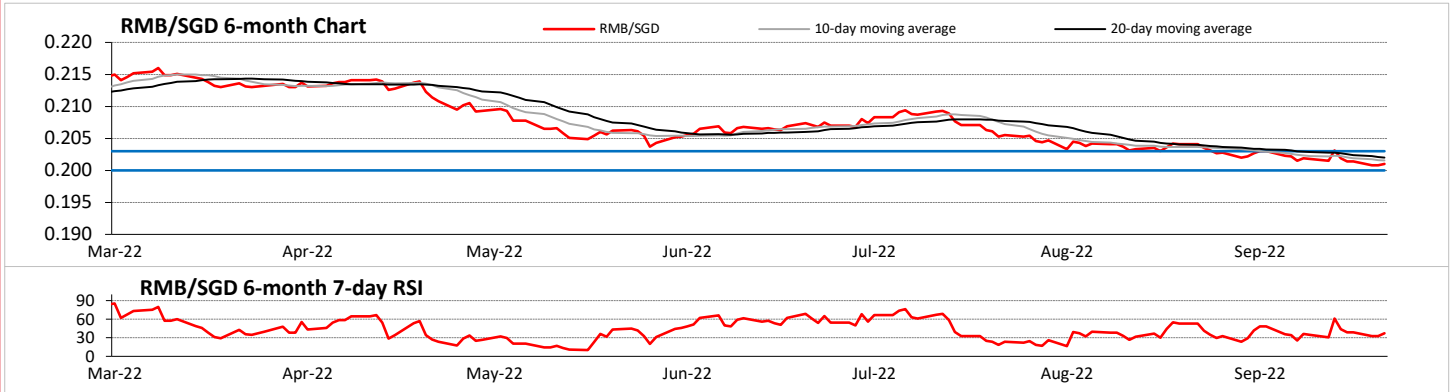


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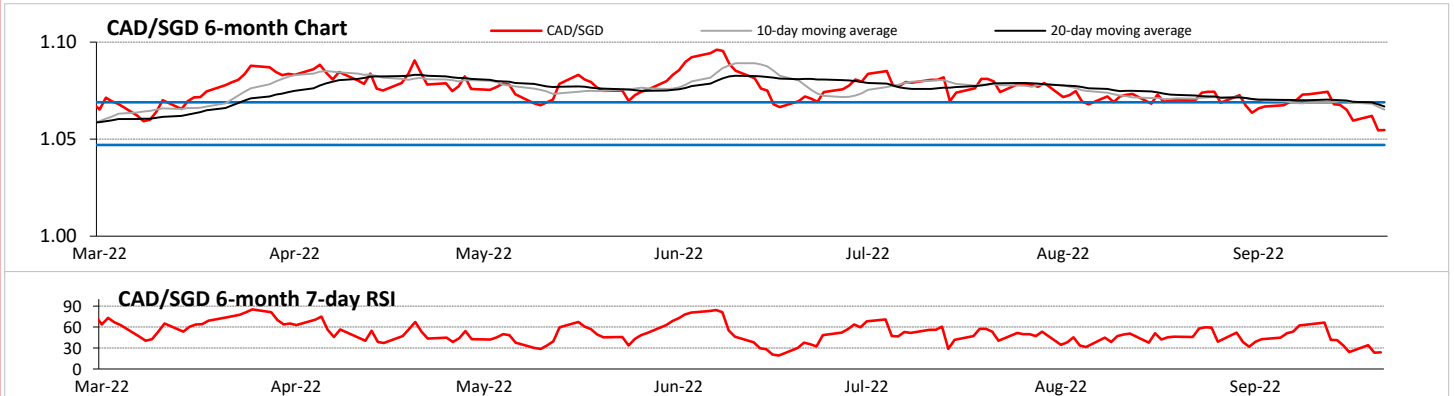
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|------------|---|---|
| <b>RMB</b> | ↗ | <p>PBoC kept both 1-year and 5-year loan prime rate unchanged as expected and continued to set firmer-than-expected CNY midpoint fixing. Despite PBoC's measures to support the CNH, USDCNH strengthened yesterday and traded firmly above the 7.00 mark. USDCNH rose 0.35% yesterday while CNHHKD ended at 1.11 level.</p> |
|------------|---|---|

| Technical Analysis | vs SGD | vs USD | Market's Focus  |
|--------------------|--------|--------|---|
| 21-Sep             | 0.2010 | 7.0180 |   |
| Daily change:      | 0.00%  | 0.18%  | (-) China Q2 GDP rose 0.4% YoY, lower than an increase of 4.8% in previous quarter                      |
| High*              | 0.2034 | 7.0251 | (-) China August CPI rose 2.5% YoY, lower than an increase of 2.7% in previous month                    |
| Low*               | 0.2005 | 6.8921 | (-) China August Caixin manufacturing PMI arrived at 49.5, lower than 50.4 in previous month            |
| Support1*          | 0.2000 | 6.9314 | (+) China August industrial production rose 4.2% YoY, higher than an increase of 3.8% in previous month |
| Support2*          | 0.1990 | 6.8453 |   |
| Resistance1*       | 0.2030 | 1.1629 |   |
| Resistance2*       | 0.2040 | 1.1878 |   |



|            |   |   |
|------------|---|---|
| <b>CAD</b> | ↘ | <p>Bank of Canada raised benchmark interest rate in September. Canada August inflation rate rose 7% y-o-y, softer than expectations of 7.3% due to easing gasoline prices and shelter costs. USDCAD strengthened to trade above the 1.33 mark yesterday as markets scale back bets of BoC tightening amid softer inflation. USDCAD rose 0.85% yesterday while CADHKD ended at 5.87 level.</p> |
|------------|---|---|

| Technical Analysis | vs SGD | vs USD | Market's Focus  |
|--------------------|--------|--------|---|
| 21-Sep             | 1.0550 | 1.3360 |   |
| Daily change:      | -0.71% | 0.86%  | (-) Canada June GDP rose 4.7% YoY, lower than an increase of 5.5% in previous month     |
| High*              | 1.0765 | 1.3376 | (-) Canada July CPI rose 7.6% YoY, lower than an increase of 8.1% in previous month     |
| Low*               | 1.0540 | 1.2951 | (-) Canada August unemployment rate arrived at 5.4%, higher than 4.9% in previous month |
| Support1*          | 1.0470 | 1.3083 | (-) Canada August Manufacturing PMI arrived at 48.7, lower than 52.5 in previous month  |
| Support2*          | 1.0390 | 1.2805 |   |
| Resistance1*       | 1.0690 | 1.3508 |   |
| Resistance2*       | 1.0840 | 1.3655 |   |

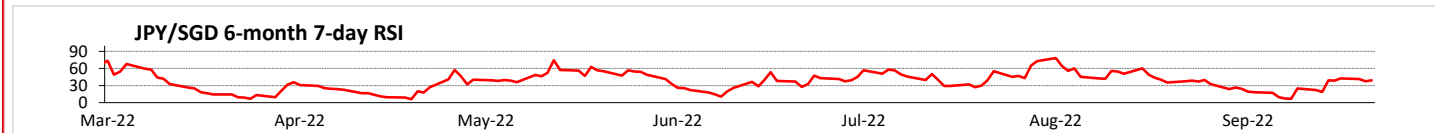
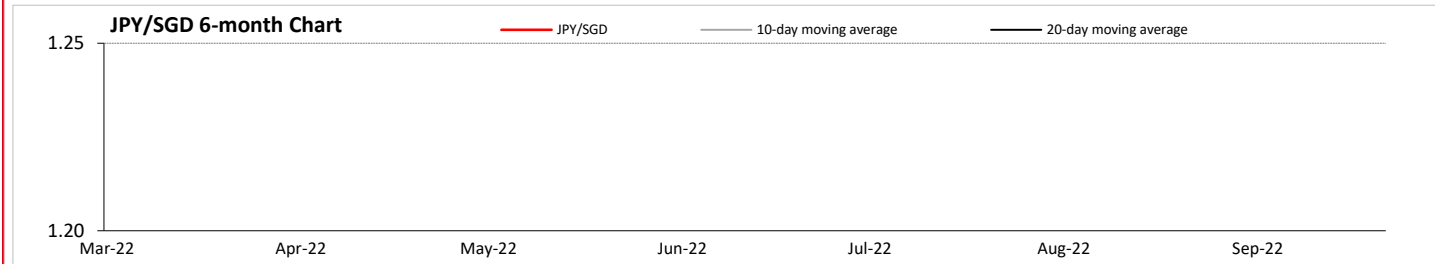


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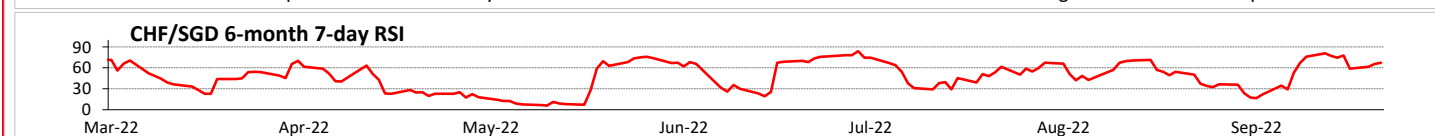
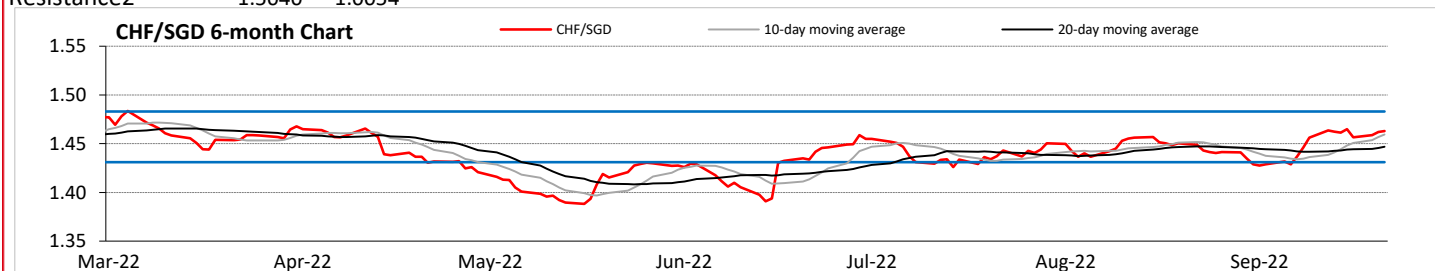
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|------------|---|---|--|
| <b>JPY</b> | ↗ | <p>Bank of Japan kept benchmark interest rate unchanged in July. Rising U.S. treasury yields and broad dollar strength ahead of today's Fed interest rate decision provided support to USDJPY. The pair strengthened yesterday and traded steadily at the 143 handle. USDJPY rose 0.36% yesterday while JPYHKD ended at 5.46 level.</p> |  |
|------------|---|---|--|

| Technical Analysis | vs SGD | vs USD | Market's Focus   |
|--------------------|--------|--------|--|
| 21-Sep             | 0.9810 | 143.70 |  |
| Daily change:      | -0.21% | 0.36%  |  |
| High*              | 1.0059 | 144.98 | (+) Japan Q2 GDP rose 1.6% YoY, higher than an increase of 0.6% in previous quarter                          |
| Low*               | 0.9701 | 138.90 | (+) Japan August CPI nationwide ex fresh food rose 3% YoY, higher than an increase of 2.6% in previous month |
| Support1*          | 0.9650 | 140.09 | (-) Japan August manufacturing PMI arrived at 51.5, lower than 52.1 in previous month                        |
| Support2*          | 0.9500 | 136.45 | (~) Japan July Industrial Production rose 0.8% MoM, same as previous month                                   |
| Resistance1*       | 1.0010 | 146.17 |  |
| Resistance2*       | 1.0210 | 148.61 |  |



|            |   |   |  |
|------------|---|---|--|
| <b>CHF</b> | ↘ | <p>SNB raised benchmark interest rate in June. Switzerland recorded 2.3B CHF trade surplus in August, largely unchanged from the previous month. CHF held up rather well against the U.S. dollar compared to its G10 peers, helped by heightened risk-off sentiments. USDCHF fell 0.04% yesterday while CHFHKD ended at 8.14 level.</p> |  |
|------------|---|---|--|

| Technical Analysis | vs SGD | vs USD | Market's Focus   |
|--------------------|--------|--------|--|
| 21-Sep             | 1.4620 | 0.9640 |  |
| Daily change:      | 0.23%  | -0.02% | (-) Switzerland Q2 GDP rose 2.8% YoY, lower than an increase of 4.7% in previous quarter                     |
| High*              | 1.4730 | 0.9869 | (+) Switzerland August CPI rose 3.5% YoY, higher than an increase of 3.4% in previous month                  |
| Low*               | 1.4212 | 0.9477 | (+) Switzerland August unemployment rate arrived at 2.1%, lower than 2.2% in previous month                  |
| Support1*          | 1.4310 | 0.9456 | (+) Switzerland August Foreign Currency Reserves arrived at CHF 859.6 billion, higher than CHF 849.7 billion |
| Support2*          | 1.4000 | 0.9270 | in previous month  |
| Resistance1*       | 1.4830 | 0.9848 |  |
| Resistance2*       | 1.5040 | 1.0054 |  |



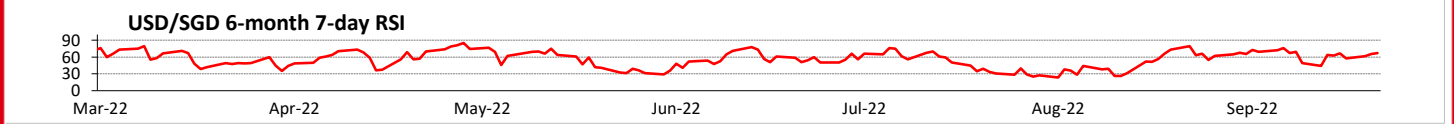
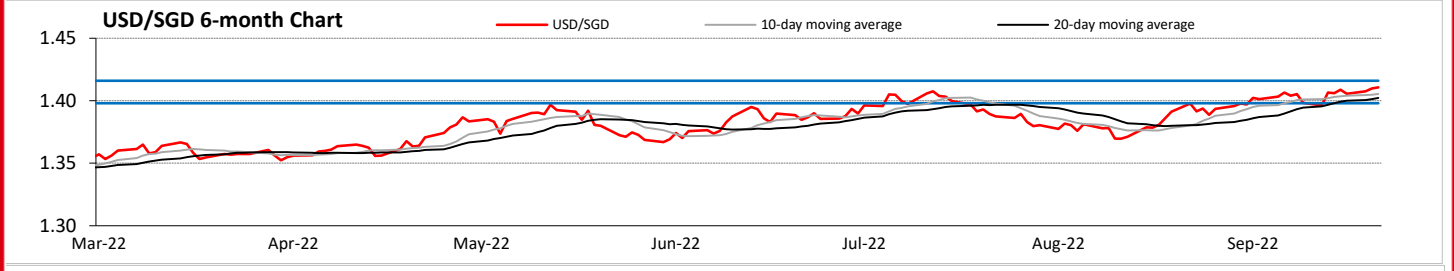
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|     |   |   |  |
|-----|---|---|--|
| SGD | ↘ | <p>U.S. August housing starts rose 12.2% m-o-m to 1.575M while U.S. August building permits declined 10% to 1.517M. USDSGD strengthened to trade above the 1.41 mark yesterday as the U.S. dollar climbed ahead of the Fed's rate decision. USDSGD rose 0.16% yesterday while SGDHKD ended at 5.56 level.</p> |  |
|-----|---|---|--|

| Technical Analysis | vs USD | Market's Focus |
|--------------------|--------|----------------|
|--------------------|--------|----------------|

|               |        |   |
|---------------|--------|---|
| 21-Sep        | 1.41   |   |
| Daily change: | 0.16%  | (+) Singapore July CPI rose 7% YoY, higher than an increase of 6.7% in previous month                         |
| High*         | 1.41   | (+) Singapore Q6 unemployment rate arrived at 2.1%, lower than 2.2% in previous quarter                       |
| Low*          | 1.39   | (+) Singapore August Non Oil Domestic Exports rose 11.4% YoY, higher than an increase of 7% in previous month |
| Support1*     | 1.3983 |   |
| Support2*     | 1.3869 |   |
| Resistance1*  | 1.4162 |   |
| Resistance2*  | 1.4227 |   |



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## Central Bank Rate

|                    | Current | Prior | Date      |              | Current | Prior | Date      |
|--------------------|---------|-------|-----------|--------------|---------|-------|-----------|
| FED Fund           | 2.50    | 1.75  | 22-Sep-22 | Canada (BOC) | 3.25    | 3.25  | 26-Oct-22 |
| Europe (ECB)       | 1.25    | 0.50  | 27-Oct-22 | Japan (BOJ)  | -0.10   | -0.10 | 22-Sep-22 |
| UK (BOE)           | 0.75    | 0.50  | 22-Sep-22 | Malaysia     | 2.50    | 2.50  | 3-Nov-22  |
| Australia (RBA)    | 2.35    | 1.85  | 4-Oct-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 21 Sep 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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