

Weekly FX Focus

15/7/2024

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 rose against the dollar on Friday, finished the week at highs since Jan as markets bet on a dovish Fed amid soft US CPI figures. The RBA is poised to be among the last G10 nations' central banks to initiate rate cuts underpinning AUD. AUDUSD rose 0.36% last Friday while AUDHKD ended at 5.28 level.

Currency	Current Trend	Support / Resistance	Market commentary
AUD	↘	vs USD 0.6667 / 0.6848	AUD rose against the dollar on Friday, finished the week at highs since Jan as markets bet on a dovish Fed amid soft US CPI figures. The RBA is poised to be among the last G10 nations' central banks to initiate rate cuts underpinning AUD. AUDUSD rose 0.36% last Friday while AUDHKD ended at 5.28 level.
EUR	↘	vs USD 1.0743 / 1.0990	EUR strengthened against the USD on Friday, rising to a one-month high as the USD eased broadly allowing EUR to erase last month's fall. USD fell after soft US consumer prices while US producer prices increased moderately in Jun. EURUSD rose 0.38% last Friday while EURHKD ended at 8.50 level.
GBP	↘	vs USD 1.2737 / 1.3120	GBP rose against the dollar on Friday, rose to 12-month high amid USD weakness and as markets pile into rate cut hopes. While markets await the UK Inflation rate due on July 17 ahead of the labour market report on July 18. GBPUSD rose 0.64% last Friday while GBPHKD ended at 10.13 level.
NZD	↘	vs USD 0.6052 / 0.6174	NZD rose against the dollar on Friday as USD fell amid downbeat US data improving prospects for Fed rate cuts. While the gains were limited due to poor Business NZ PMI data for June which came in at 41.1 boosting RBNZ's rate-cut hopes. NZDUSD rose 0.39% last Friday while NZDHKD ended at 4.77 level.
RMB	↗	vs USD 7.2401 / 7.2680	CNH fell against the dollar on Friday despite both USD and US treasury yields slid. Stronger-than-expected exports China's exports underpinned CNH but falling imports points to more stimulus. While China Q2 GDP, retail and industrial data due today. USDCNH rose 0.06% last Friday while CNHHKD ended at 1.07 level.
CAD	↘	vs USD 1.3560 / 1.3729	CAD was almost unchanged, ending marginally higher against the dollar on Friday. CAD gains were capped by a fall in oil prices. Statistics Canada data showed value of building permits in Canada fell in May by 12.2%. USDCAD fell 0.01% last Friday while CADHKD ended at 5.72 level.
JPY	↗	vs USD 156.18 / 160.80	JPY strengthened against the dollar on Friday, rising to a four-week high sparking speculations of an intervention by Japanese authorities. BOJ data suggested Japan's Ministry of Finance may have spent up to 3.57 trillion yen. USDJPY fell 0.57% last Friday while JPYHKD ended at 4.93 level.
CHF	↘	vs USD 0.8884 / 0.9023	CHF strengthened against the dollar on Friday as the USD eased against a basket of currencies on softer CPI and a moderate increase in US PPI data. As per UBS, SNB is likely near the end of its easing cycle. USDCHF fell 0.26% last Friday while CHFHKD ended at 8.72 level.
SGD	↘	vs USD 1.3339 / 1.3536	SGD strengthened against the US dollar on Friday as the USD eased broadly and US treasury yields retreated. The Monetary Authority of Singapore left its monetary policy unchanged as widely expected USDSGD fell 0.12% last Friday while SGDHKD ended at 5.81 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

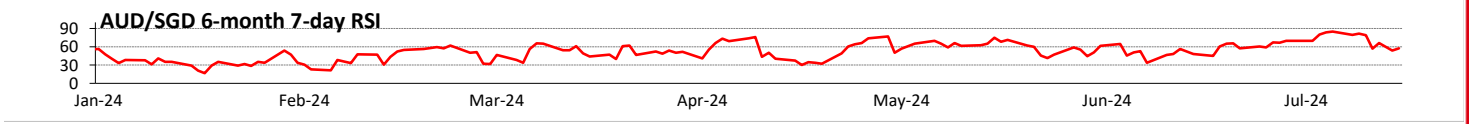
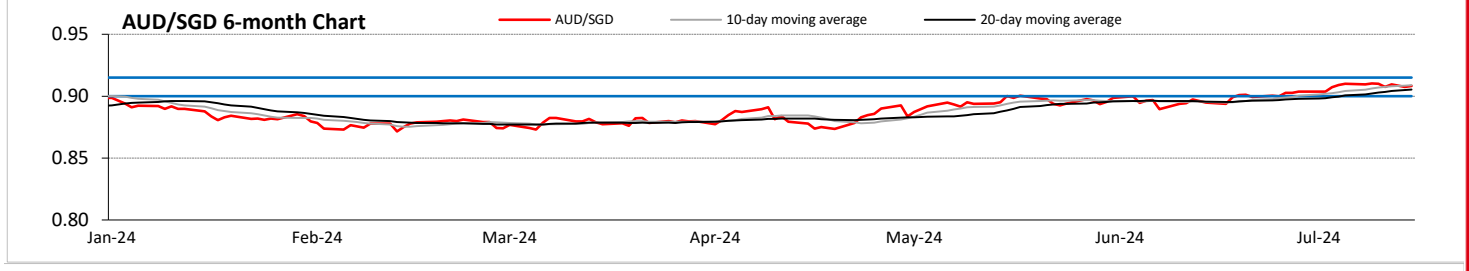


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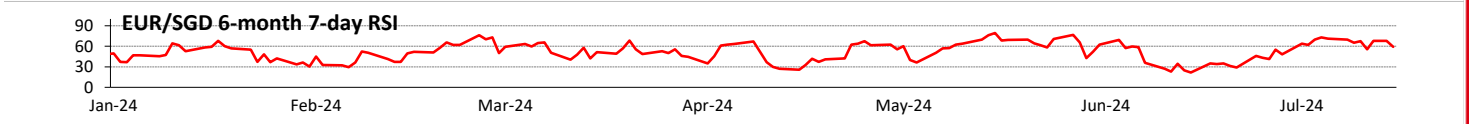
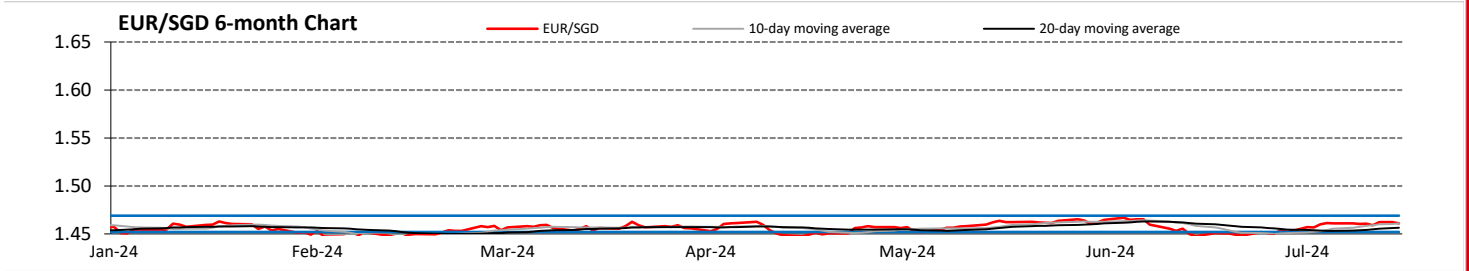
AUD	↘	<p>Reserve Bank of Australia kept benchmark interest rate unchanged in June. AUD rose against the dollar on Friday, finished the week at highs since Jan as markets bet on a dovish Fed amid soft US CPI figures. The RBA is poised to be among the last G10 nations' central banks to initiate rate cuts underpinning AUD. AUDUSD rose 0.36% last Friday while AUDHKD ended at 5.28 level.</p>
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Technical Analysis	vs SGD	vs USD	Market's Focus
15-Jul	0.9080	0.6780	
Weekly change:	-0.05%	0.50%	(-) Australia Q1 GDP rose 1.1% YoY, lower than an increase of 1.5% in previous quarter
High*	0.9134	0.6798	(~) Australia May unemployment rate arrived at 4%
Low*	0.8985	0.6617	(~) Australia CPI recorded at 1% YoY in Q1
Support1*	0.9000	0.6667	
Support2*	0.8920	0.6552	
Resistance1*	0.9150	0.6848	
Resistance2*	0.9210	0.6914	



EUR	↘	<p>European Central Bank reduced benchmark interest rate in June. EUR strengthened against the USD on Friday, rising to a one-month high as the USD eased broadly allowing EUR to erase last month's fall. USD fell after soft US consumer prices while US producer prices increased moderately in Jun. EURUSD rose 0.38% last Friday while EURHKD ended at 8.50 level.</p>
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Technical Analysis	vs SGD	vs USD	Market's Focus
15-Jul	1.4620	1.0910	
Weekly change:	0.08%	0.65%	
High*	1.4651	1.0911	(~) Eurozone CPI recorded at 2.5% YoY in June
Low*	1.4480	1.0664	(~) Germany June manufacturing PMI arrived at 43.5
Support1*	1.4520	1.0743	(~) Germany June Business Climate arrived at 88.6
Support2*	1.4410	1.0580	
Resistance1*	1.4690	1.0990	
Resistance2*	1.4760	1.1074	

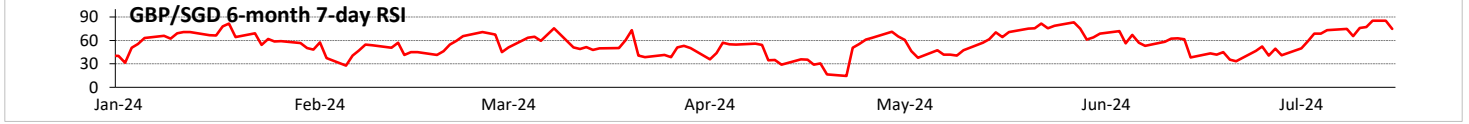
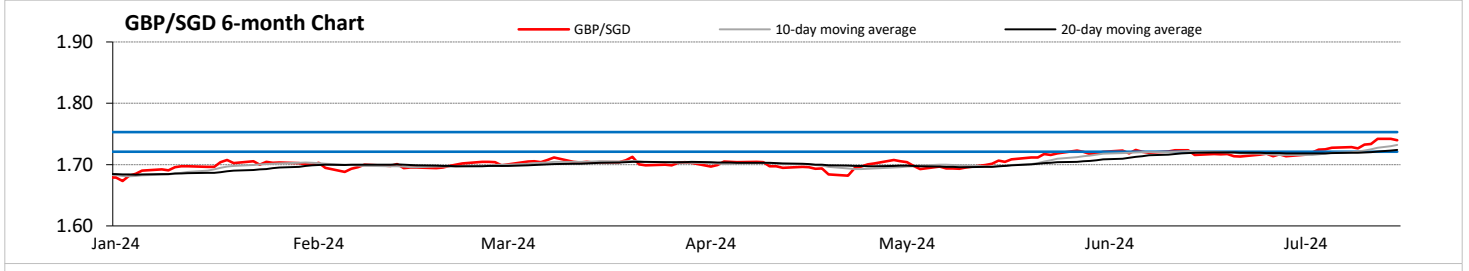


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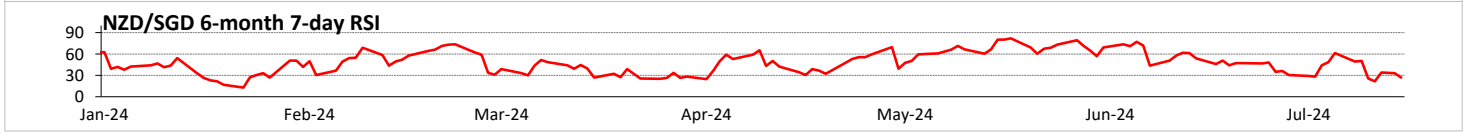
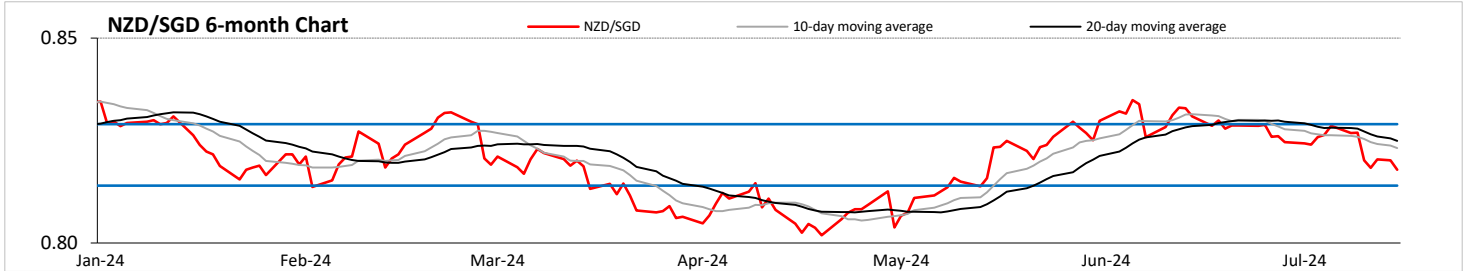
GBP	↓	<p>Bank of England kept benchmark interest rate unchanged in June. GBP rose against the dollar on Friday, rose to 12-month high amid USD weakness and as markets pile into rate cut hopes. While markets await the UK Inflation rate due on July 17 ahead of the labour market report on July 18. GBPUSD rose 0.64% last Friday while GBPHKD ended at 10.13 level.</p>	
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Technical Analysis	vs SGD	vs USD	Market's Focus
15-Jul	1.7420	1.2990	
Weekly change:	0.85%	1.44%	
High*	1.7422	1.2993	(~) UK CPI recorded at 0.3% YoY in May
Low*	1.7101	1.2610	(~) UK ILO 's 3Mths unemployment rate was at recorded at 4.4% in April
Support1*	1.7210	1.2737	(~) UK Nationwide House Prices All Houses recorded at 1.5% YoY in June
Support2*	1.6990	1.2482	
Resistance1*	1.7530	1.3120	
Resistance2*	1.7640	1.3248	



NZD	↓	<p>Reserve Bank of New Zealand kept benchmark interest rate unchanged in July. NZD rose against the dollar on Friday as USD fell amid downbeat US data improving prospects for Fed rate cuts. While the gains were limited due to poor Business NZ PMI data for June which came in at 41.1 boosting RBNZ's rate-cut hopes. NZDUSD rose 0.39% last Friday while NZDHKD ended at 4.77 level.</p>	
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Technical Analysis	vs SGD	vs USD	Market's Focus
15-Jul	0.8200	0.6120	
Weekly change:	-0.99%	-0.46%	(-) New Zealand Q1 GDP rose 0.3% YoY, lower than an increase of -0.3% in previous quarter
High*	0.8316	0.6167	(~) New Zealand CPI recorded at 4% YoY in Q1
Low*	0.8159	0.6045	(-) New Zealand Q1 unemployment rate arrived at 4.3% , higher than 4% in previous quarter
Support1*	0.8140	0.6052	
Support2*	0.8070	0.5988	
Resistance1*	0.8290	0.6174	
Resistance2*	0.8380	0.6232	

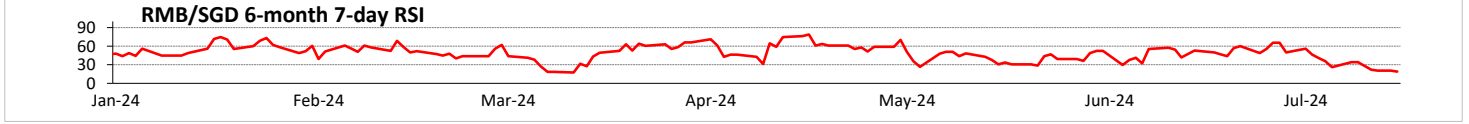
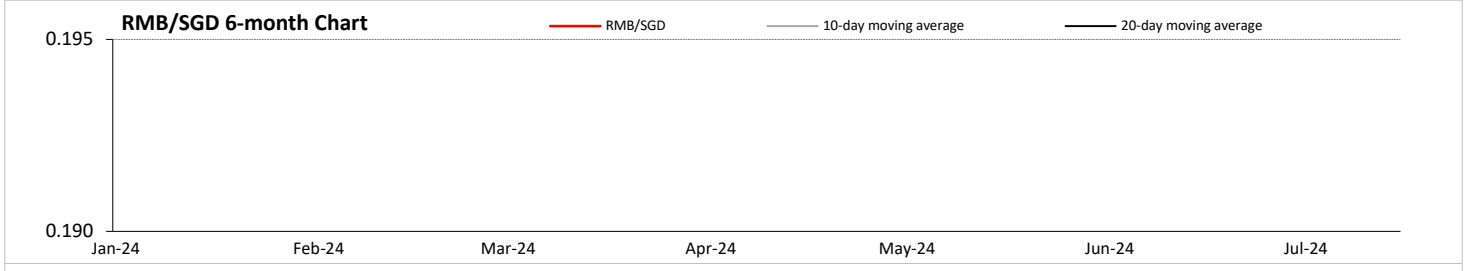


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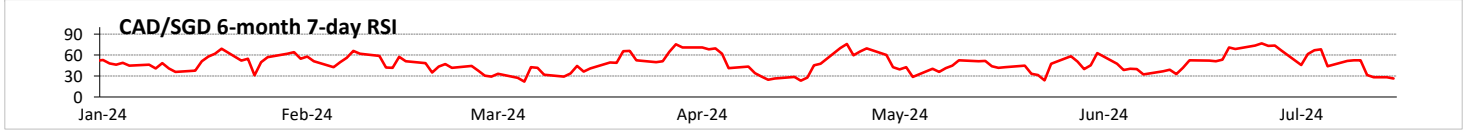
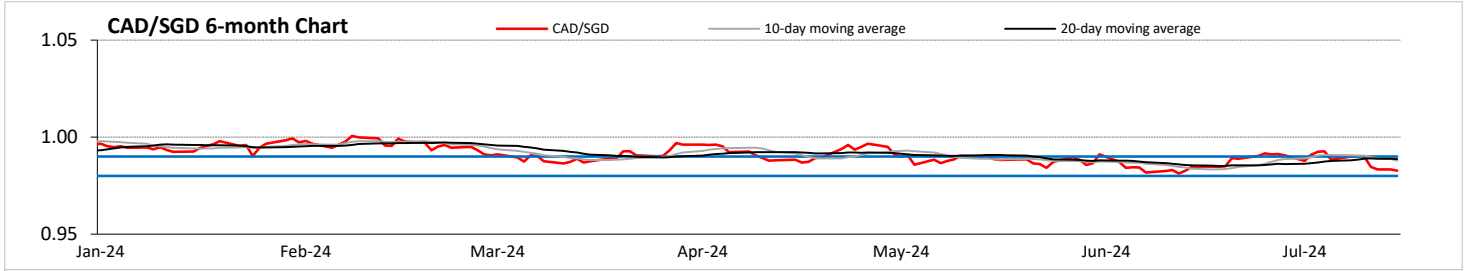
RMB	↗	<p>CNH fell against the dollar on Friday despite both USD and US treasury yields slid. Stronger-than-expected exports China's exports underpinned CNH but falling imports points to more stimulus. While China Q2 GDP, retail and industrial data due today. USDCNH rose 0.06% last Friday while CNH HKD ended at 1.07 level.</p>	
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Technical Analysis	vs SGD	vs USD	Market's Focus
15-Jul	0.1850	7.2500	
Weekly change:	-0.32%	-0.25%	(~) China GDP recorded at 5.3% YoY in Q1
High*	0.1871	7.2761	(-) China June CPI rose 0.2% YoY, lower than an increase of 0.3% in previous month
Low*	0.1848	7.2482	(~) China June Caixin manufacturing PMI arrived at 49.5
Support1*	0.1840	7.2401	(~) China industrial production recorded at 5.6% YoY in May
Support2*	0.1830	7.2302	
Resistance1*	0.1860	1.3120	
Resistance2*	0.1880	1.3248	



CAD	↘	<p>Bank of Canada reduced benchmark interest rate in June. CAD was almost unchanged, ending marginally higher against the dollar on Friday. CAD gains were capped by a fall in oil prices. Statistics Canada data showed value of building permits in Canada fell in May by 12.2%. USDCAD fell 0.01% last Friday while CAD HKD ended at 5.72 level.</p>	
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Technical Analysis	vs SGD	vs USD	Market's Focus
15-Jul	0.9830	1.3630	
Weekly change:	-0.50%	-0.06%	(-) Canada Q1 GDP rose 0.53% YoY, lower than an increase of 0.93% in previous month
High*	0.9931	1.3755	(~) Canada CPI recorded at 2.9% YoY in May
Low*	0.9825	1.3586	(-) Canada June unemployment rate arrived at 6.4%, higher than 6.2% in previous month
Support1*	0.9800	1.3560	(~) Canada June Manufacturing PMI arrived at 49.3
Support2*	0.9760	1.3488	
Resistance1*	0.9900	1.3729	
Resistance2*	0.9970	1.3826	

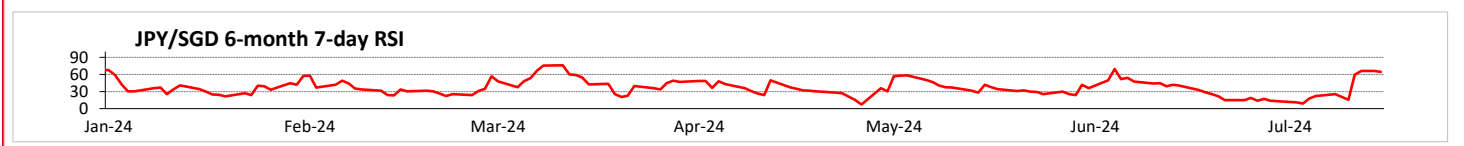
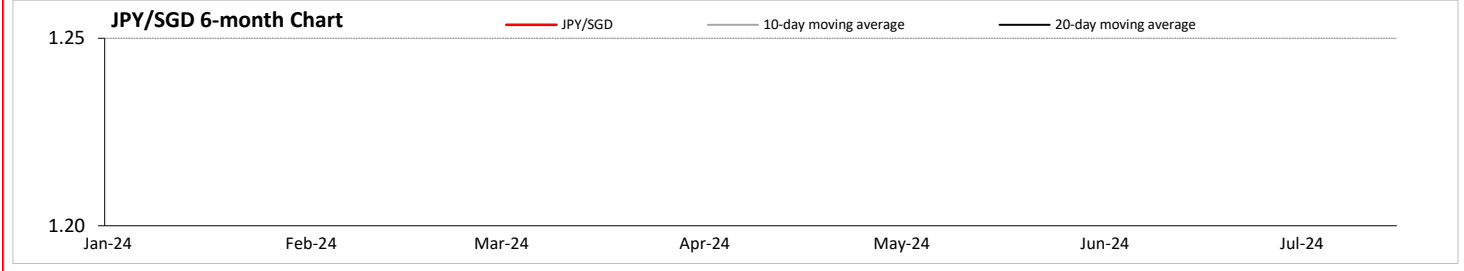


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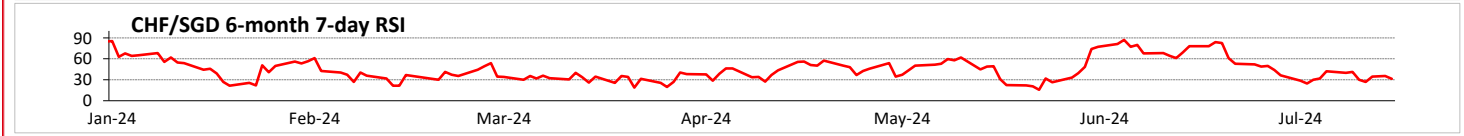
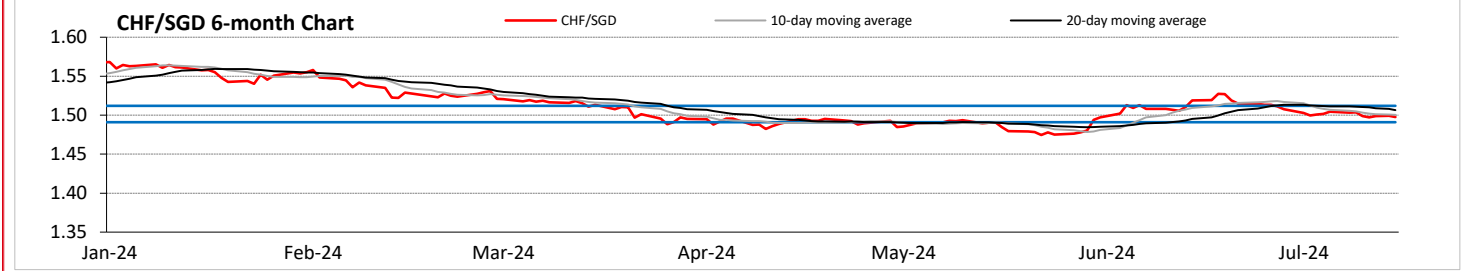
JPY	↗	<p>Bank of Japan kept benchmark interest rate unchanged in January. JPY strengthened against the dollar on Friday, rising to a four-week high sparking speculations of an intervention by Japanese authorities. BOJ data suggested Japan's Ministry of Finance may have spent up to 3.57 trillion yen. USDJPY fell 0.57% last Friday while JPYHKD ended at 4.93 level.</p>	
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Technical Analysis	vs SGD	vs USD	Market's Focus
15-Jul	0.8490	157.90	
Weekly change:	1.23%	-1.76%	
High*	0.8523	161.99	(+) Japan Q1 GDP rose -2% YoY, higher than an increase of 0.4% in previous quarter
Low*	0.8320	157.37	(~) Japan CPI nationwide ex fresh food recorded at 2.5% YoY in May
Support1*	0.8370	156.18	(~) Japan June manufacturing PMI arrived at 50
Support2*	0.8240	154.46	(+) Japan May Industrial Production rose 3.6% MoM, higher than an increase of 2.8% in previous month
Resistance1*	0.8570	160.80	
Resistance2*	0.8650	163.70	



CHF	↘	<p>Swiss National Bank reduced benchmark interest rate in June. CHF strengthened against the dollar on Friday as the USD eased against a basket of currencies on softer CPI and a moderate increase in US PPI data. As per UBS, SNB is likely near the end of its easing cycle. USDCHF fell 0.26% last Friday while CHFHKD ended at 8.72 level.</p>	
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Technical Analysis	vs SGD	vs USD	Market's Focus
15-Jul	1.4990	0.8940	
Weekly change:	-0.37%	-0.22%	
High*	1.5164	0.9050	(~) Switzerland Q1 GDP rose 0.6% YoY, same as previous quarter
Low*	1.4955	0.8911	(~) Switzerland CPI recorded at 1.3% YoY in June
Support1*	1.4910	0.8884	(~) Switzerland June unemployment rate arrived at 2.4% , same as previous month
Support2*	1.4830	0.8828	
Resistance1*	1.5120	0.9023	
Resistance2*	1.5250	0.9106	



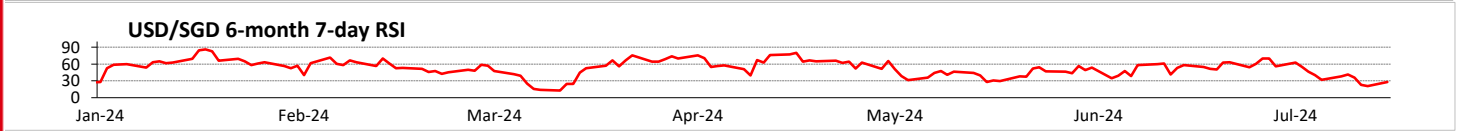
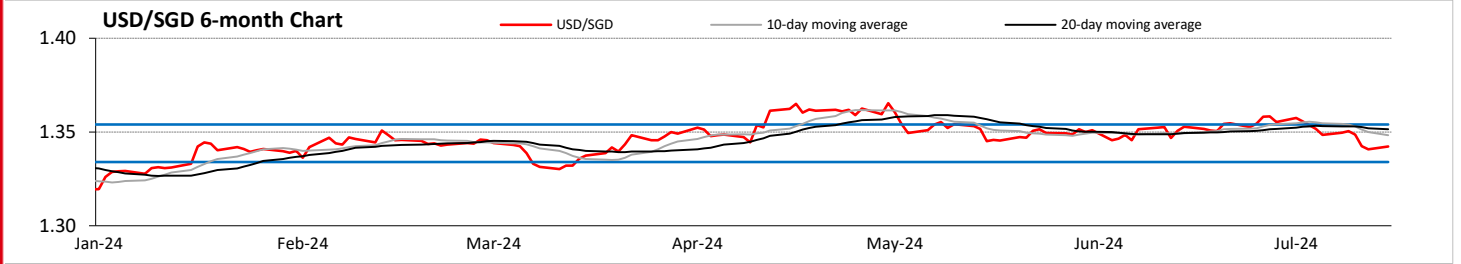
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SGD	↘	<p>SGD strengthened against the US dollar on Friday as the USD eased broadly and US treasury yields retreated. The Monetary Authority of Singapore left its monetary policy unchanged as widely expected USDSGD fell 0.12% last Friday while SGDHKD ended at 5.81 level.</p>
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Technical Analysis	vs USD	Market's Focus
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15-Jul	1.34	
Weekly change:	-0.56%	
High*	1.36	(~) Singapore CPI recorded at 3.1% YoY in May
Low*	1.34	(~) Singapore Q1 unemployment rate arrived at 2.1% , same as previous quarter
Support1*	1.3339	(~) Singapore Non Oil Domestic Exports recorded at -0.1% YoY in May
Support2*	1.3271	
Resistance1*	1.3536	
Resistance2*	1.3665	



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Central Bank Rate

	Current	Prior	Date		Current	Prior	Date
FED Fund	5.38	5.38	31-Jul-24	Canada (BOC)	4.75	5.00	24-Jul-24
Europe (ECB)	4.25	4.50	18-Jul-24	Japan (BOJ)	-0.10	-0.10	0-Jan-00
UK (BOE)	5.25	5.25	1-Aug-24	Switzerland (SNB)	1.00	2.00	26-Sep-24
Australia (RBA)	4.35	4.35	6-Aug-24	China (PBOC)	3.45	3.45	22-Jul-24
New Zealand (RBNZ)	5.50	5.50	14-Aug-24		0	0.00	0-Jan-00

Please take note that the primary sources of all the charts are from Reuters dated 15 Jul 2024 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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