

Daily FX Focus

16/7/2024

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 fell against the dollar yesterday as USD rose broadly due to improved risk aversion and firm speculation for Fed rate cuts in Sept. Investors await the US Retail Sales and Aussie Employment for June. AUDUSD fell 0.35% yesterday while AUDHKD ended at 5.27 level.

Currency	Current Trend	Support / Resistance		Market commentary
AUD	↘	vs USD	0.6651 / 0.6832	AUD fell against the dollar yesterday as USD rose broadly due to improved risk aversion and firm speculation for Fed rate cuts in Sept. Investors await the US Retail Sales and Aussie Employment for June. AUDUSD fell 0.35% yesterday while AUDHKD ended at 5.27 level.
EUR	↘	vs USD	1.0731 / 1.0989	EUR weakened against the USD yesterday as the USD strengthened after falling initially, rebounding on increasing bets of a Trump win. Focus moves to ECB's rate decision, Eurozone industrial production and German ZEW survey. EURUSD fell 0.11% yesterday while EURHKD ended at 8.50 level.
GBP	↘	vs USD	1.2719 / 1.3103	GBP fell against the dollar yesterday as Fed speak drives broader market sentiment as investors hope for rate cuts, while eyes on upcoming UK CPI inflation release. GBP was also undermined as UK property asking prices fell more than usual. GBPUSD fell 0.20% yesterday while GBPHKD ended at 10.12 level.
NZD	↘	vs USD	0.6023 / 0.6145	NZD edged lower against the dollar yesterday as business NZ PSI drops to 40.2 in June, marking its fourth consecutive monthly decrease. The weaker Chinese economic data and modest rebound of the USD continue to undermine NZD. NZDUSD fell 0.72% yesterday while NZDHKD ended at 4.74 level.
RMB	↗	vs USD	7.2462 / 7.2741	CNH fell against the dollar yesterday after weaker-than-expected Chinese GDP which grew 4.7% y/y. CNH was also undermined after June retail sales growth showed slowest since Dec 2022 but industrial output rose more than forecast. USDCNH rose 0.04% yesterday while CNHHKD ended at 1.07 level.
CAD	↘	vs USD	1.3594 / 1.3763	CAD weakened against the dollar yesterday, falling to a 12-day low as Bank of Canada business survey pointed to a decline in inflation, raising bets that the BOC will cut rate further this month. A fall in oil prices also weighed on CAD. USDCAD rose 0.37% yesterday while CADHKD ended at 5.70 level.
JPY	↗	vs USD	156.11 / 160.95	JPY ended slightly weaker against the dollar yesterday as the USD strengthened on increasing bets of a Trump win after an initial dip on Powell's comments. JPY was also weighed by a rise in longer dated US treasury yields. USDJPY rose 0.08% yesterday while JPYHKD ended at 4.93 level.
CHF	↘	vs USD	0.8896 / 0.9033	CHF weakened against the dollar yesterday as the USD strengthened against major peers after an initial dip during Powell's speech, rebounding on bets of a Trump win. However, safe haven flows due to political uncertainty limited CHF losses. USDCHE rose 0.18% yesterday while CHFHKD ended at 8.71 level.
SGD	↘	vs USD	1.3359 / 1.3556	SGD ended weaker against the US dollar yesterday as the USD strengthened after easing initially while longer dated US treasury yields rose on growing bets of Donald trump winning the presidential race after a failed assassination attempt. USDSGD rose 0.22% yesterday while SGDHKD ended at 5.80 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.

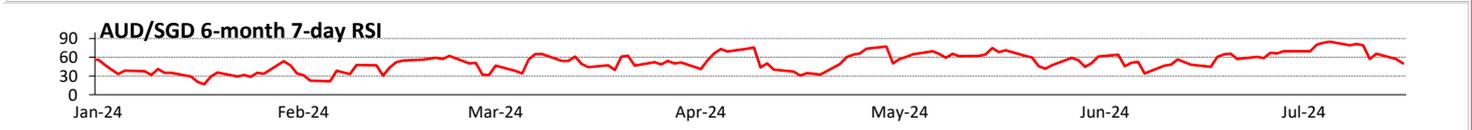
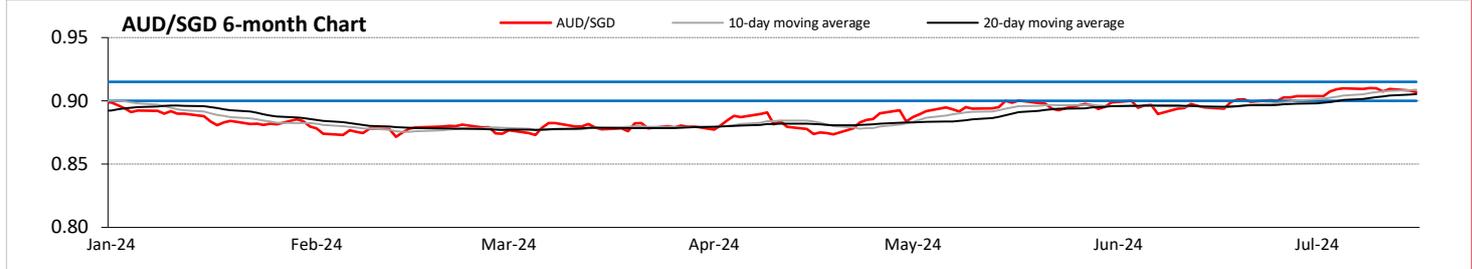
→	Consolidation, indicates that the currency's movement against USD has remained sideways
↗	Up Trend, indicates that the currency has been moving higher against the USD
↘	Down Trend, indicates that the currency has been moving lower against the USD

Daily FX Focus

16/7/2024

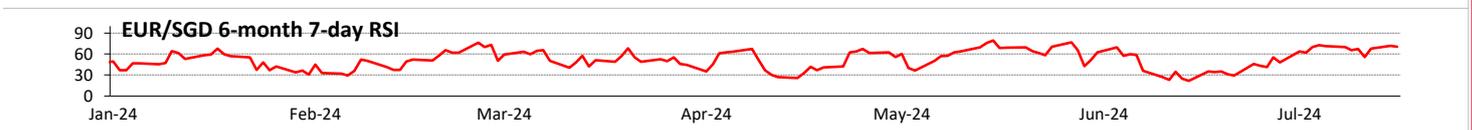
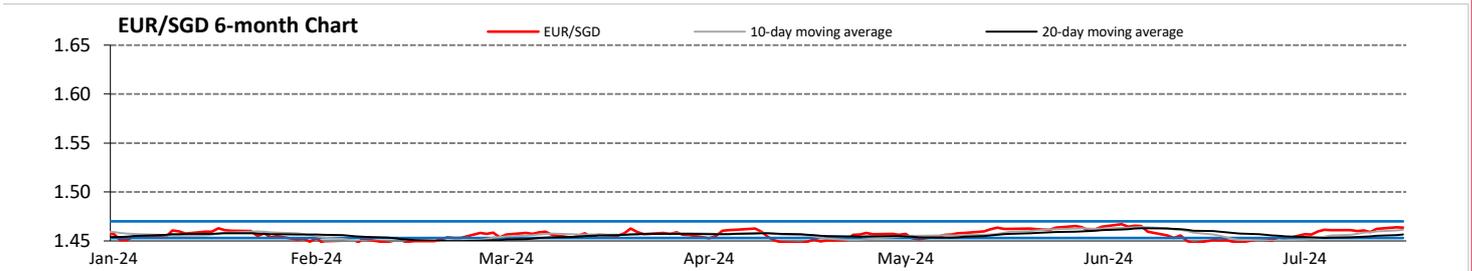
AUD	↘	<p>Reserve Bank of Australia kept benchmark interest rate unchanged in June. AUD fell against the dollar yesterday as USD rose broadly due to improved risk aversion and firm speculation for Fed rate cuts in Sept. Investors await the US Retail Sales and Aussie Employment for June. AUDUSD fell 0.35% yesterday while AUDHKD ended at 5.27 level.</p>	
-----	---	--	--

Technical Analysis	vs SGD	vs USD	Market's Focus
16-Jul	0.9080	0.6760	
Daily change:	-0.14%	-0.35%	(-) 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	0.6651	
Support2*	0.8920	0.6544	
Resistance1*	0.9150	0.6832	
Resistance2*	0.9220	0.6906	



EUR	↘	<p>European Central Bank reduced benchmark interest rate in June. EUR weakened against the USD yesterday as the USD strengthened after falling initially, rebounding on increasing bets of a Trump win. Focus moves to ECB's rate decision, Eurozone industrial production and German ZEW survey. EURUSD fell 0.11% yesterday while EURHKD ended at 8.50 level.</p>	
-----	---	---	--

Technical Analysis	vs SGD	vs USD	Market's Focus
16-Jul	1.4640	1.0890	
Daily change:	0.10%	-0.11%	
High*	1.4655	1.0922	(~) Eurozone CPI recorded at 2.5% YoY in June
Low*	1.4484	1.0664	(~) Germany June manufacturing PMI arrived at 43.5
Support1*	1.4530	1.0731	(~) Germany June Business Climate arrived at 88.6
Support2*	1.4420	1.0569	
Resistance1*	1.4700	1.0989	
Resistance2*	1.4760	1.1085	

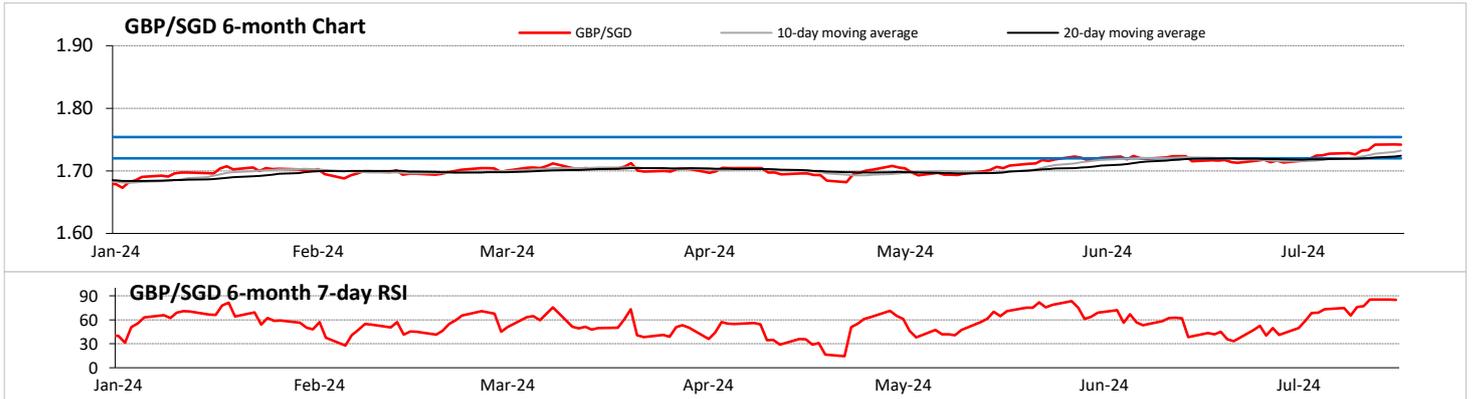


Daily FX Focus

16/7/2024

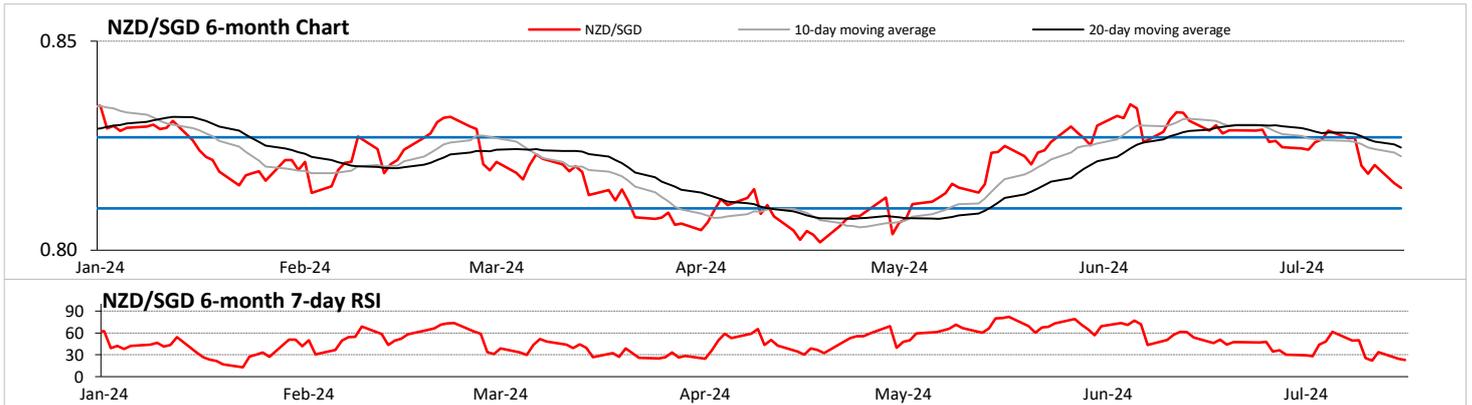
GBP	↘	<p>Bank of England kept benchmark interest rate unchanged in June. GBP fell against the dollar yesterday as Fed speak drives broader market sentiment as investors hope for rate cuts, while eyes on upcoming UK CPI inflation release. GBP was also undermined as UK property asking prices fell more than usual. GBPUSD fell 0.20% yesterday while GBPHKD ended at 10.12 level.</p>
------------	---	---

Technical Analysis	vs SGD	vs USD	Market's Focus
16-Jul	1.7420	1.2970	
Daily change:	0.01%	-0.20%	
High*	1.7441	1.2994	(~) 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*	1.7200	1.2719	(~) UK Nationwide House Prices All Houses recorded at 1.5% YoY in June
Support2*	1.6980	1.2473	
Resistance1*	1.7540	1.3103	
Resistance2*	1.7660	1.3241	



NZD	↘	<p>Reserve Bank of New Zealand kept benchmark interest rate unchanged in July. NZD edged lower against the dollar yesterday as business NZ PSI drops to 40.2 in June, marking its fourth consecutive monthly decrease. The weaker Chinese economic data and modest rebound of the USD continue to undermine NZD. NZDUSD fell 0.72% yesterday while NZDHKD ended at 4.74 level.</p>
------------	---	--

Technical Analysis	vs SGD	vs USD	Market's Focus
16-Jul	0.8160	0.6070	
Daily change:	-0.54%	-0.72%	(-) 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*	0.8142	0.6045	(-) New Zealand Q1 unemployment rate arrived at 4.3% , higher than 4% in previous quarter
Support1*	0.8100	0.6023	
Support2*	0.8030	0.5973	
Resistance1*	0.8270	0.6145	
Resistance2*	0.8380	0.6217	

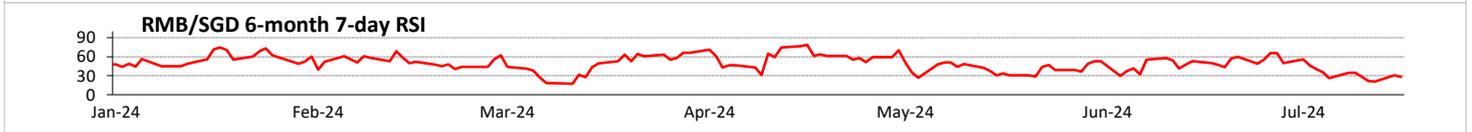
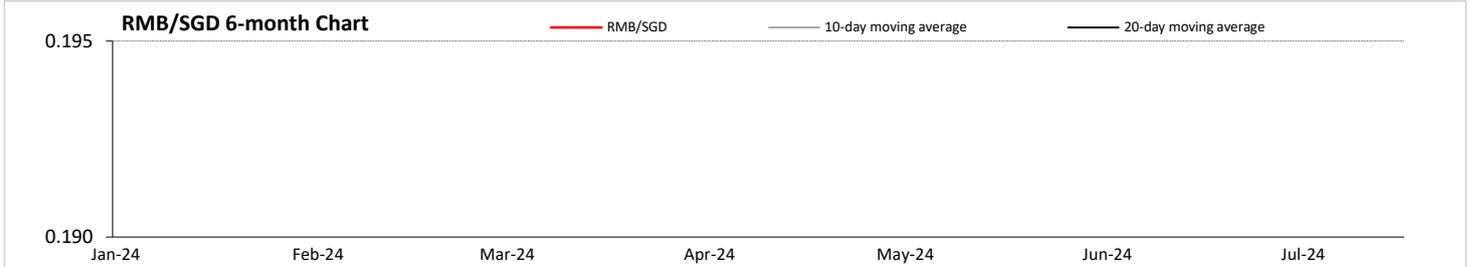


Daily FX Focus

16/7/2024

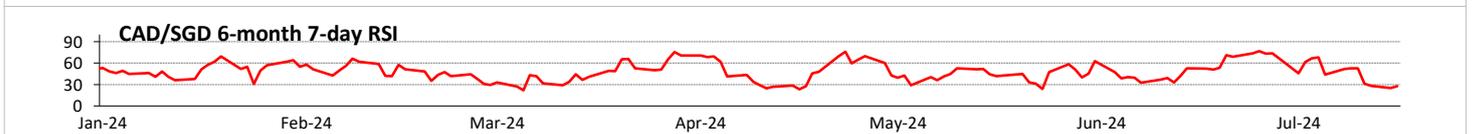
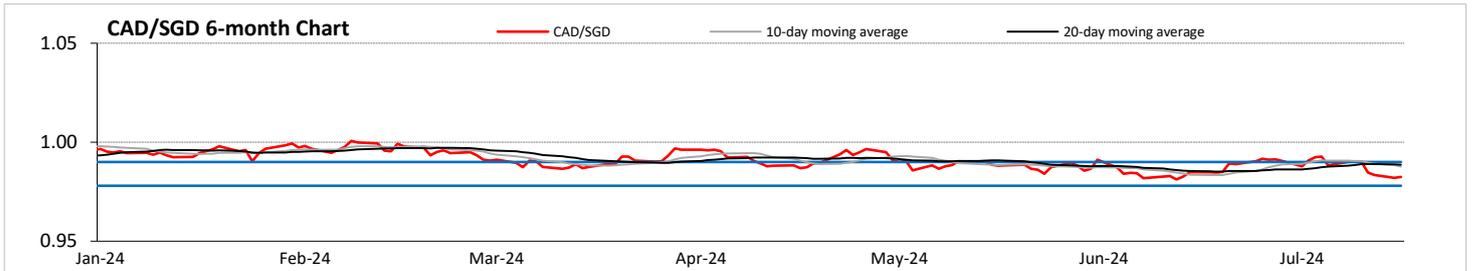
RMB	↗	<p>CNH fell against the dollar yesterday after weaker-than-expected Chinese GDP which grew 4.7% y/y. CNH was also undermined after June retail sales growth showed slowest since Dec 2022 but industrial output rose more than forecast. USDCNH rose 0.04% yesterday while CNH HKD ended at 1.07 level.</p>
------------	---	---

Technical Analysis	vs SGD	vs USD	Market's Focus
16-Jul	0.1850	7.2590	
Daily change:	0.11%	0.13%	(-) China Q2 GDP rose 4.7% YoY, lower than an increase of 5.3% in previous quarter
High*	0.1871	7.2761	(-) China June CPI rose 0.2% YoY, lower than an increase of 0.3% in previous month
Low*	0.1846	7.2482	(~) China June Caixin manufacturing PMI arrived at 49.5
Support1*	0.1840	7.2462	(-) China June industrial production rose 5.3% YoY, lower than an increase of 5.6% in previous month
Support2*	0.1830	7.2333	
Resistance1*	0.1870	1.3103	
Resistance2*	0.1880	1.3241	



CAD	↘	<p>Bank of Canada reduced benchmark interest rate in June. CAD weakened against the dollar yesterday, falling to a 12-day low as Bank of Canada business survey pointed to a decline in inflation, raising bets that the BOC will cut rate further this month. A fall in oil prices also weighed on CAD. USDCAD rose 0.37% yesterday while CAD HKD ended at 5.70 level.</p>
------------	---	---

Technical Analysis	vs SGD	vs USD	Market's Focus
16-Jul	0.9820	1.3680	
Daily change:	-0.14%	0.37%	(-) 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*	0.9810	1.3586	(-) Canada June unemployment rate arrived at 6.4%, higher than 6.2% in previous month
Support1*	0.9780	1.3594	(~) Canada June Manufacturing PMI arrived at 49.3
Support2*	0.9730	1.3505	
Resistance1*	0.9900	1.3763	
Resistance2*	0.9970	1.3843	

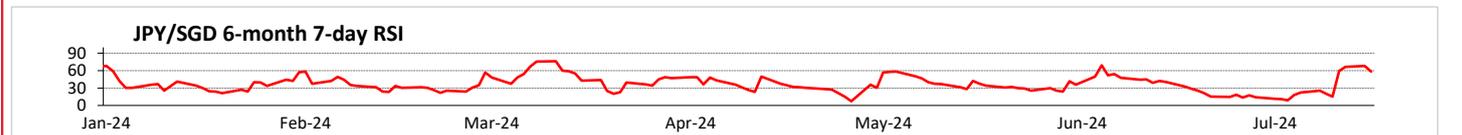
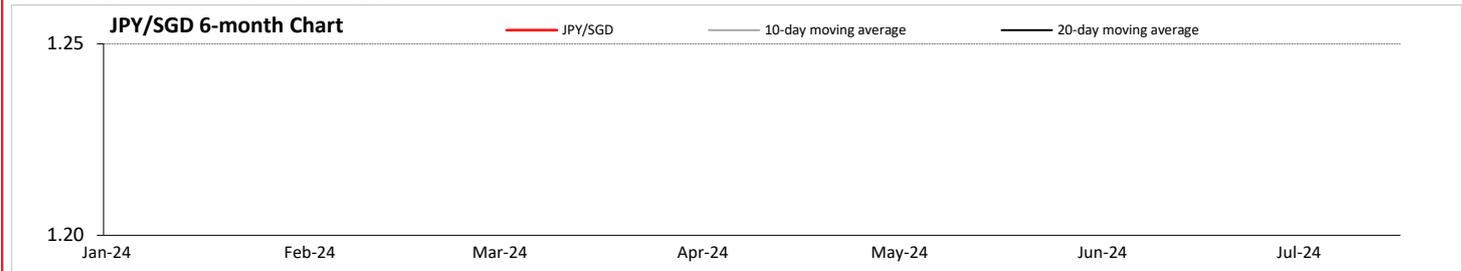


Daily FX Focus

16/7/2024

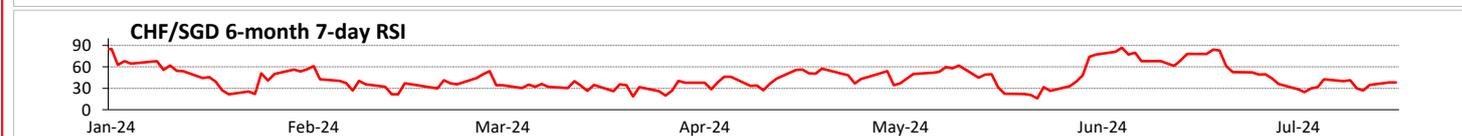
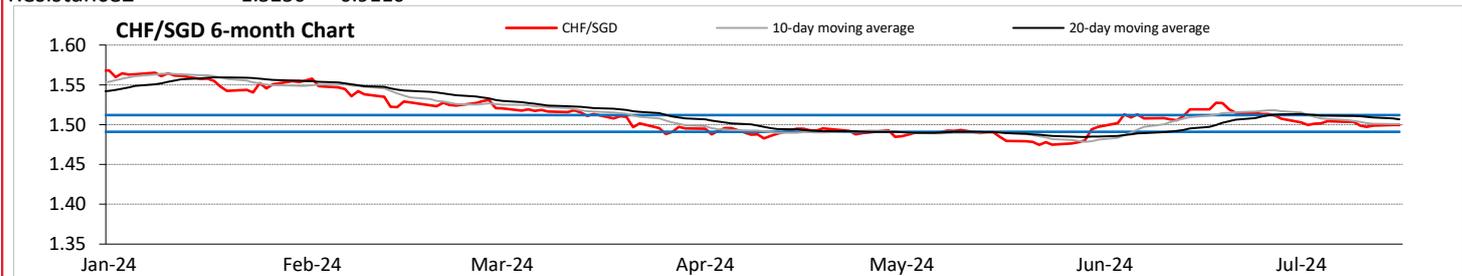
JPY	↗	Bank of Japan kept benchmark interest rate unchanged in January. JPY ended slightly weaker against the dollar yesterday as the USD strengthened on increasing bets of a Trump win after an initial dip on Powell's comments. JPY was also weighed by a rise in longer dated US treasury yields. USDJPY rose 0.08% yesterday while JPYHKD ended at 4.93 level.	
------------	---	---	--

Technical Analysis	vs SGD	vs USD	Market's Focus
16-Jul	0.8500	158.00	
Daily change:	0.13%	0.08%	
High*	0.8535	161.99	(+) Japan Q1 GDP rose -2% YoY, higher than an increase of 0.4% in previous quarter
Low*	0.8320	157.15	(~) Japan CPI nationwide ex fresh food recorded at 2.5% YoY in May
Support1*	0.8370	156.11	(~) Japan June manufacturing PMI arrived at 50
Support2*	0.8240	154.21	(+) Japan May Industrial Production rose 3.6% MoM, higher than an increase of 2.8% in previous month
Resistance1*	0.8580	160.95	
Resistance2*	0.8670	163.89	



CHF	↘	Swiss National Bank reduced benchmark interest rate in June. CHF weakened against the dollar yesterday as the USD strengthened against major peers after an initial dip during Powell's speech, rebounding on bets of a Trump win. However, safe haven flows due to political uncertainty limited CHF losses. USDCHF rose 0.18% yesterday while CHFHKD ended at 8.71 level.	
------------	---	---	--

Technical Analysis	vs SGD	vs USD	Market's Focus
16-Jul	1.5000	0.8960	
Daily change:	0.05%	0.18%	
High*	1.5164	0.9050	(~) Switzerland Q1 GDP rose 0.6% YoY, same as previous quarter
Low*	1.4955	0.8913	(~) Switzerland CPI recorded at 1.3% YoY in June
Support1*	1.4910	0.8896	(~) Switzerland June unemployment rate arrived at 2.4% , same as previous month
Support2*	1.4830	0.8836	
Resistance1*	1.5120	0.9033	
Resistance2*	1.5250	0.9110	

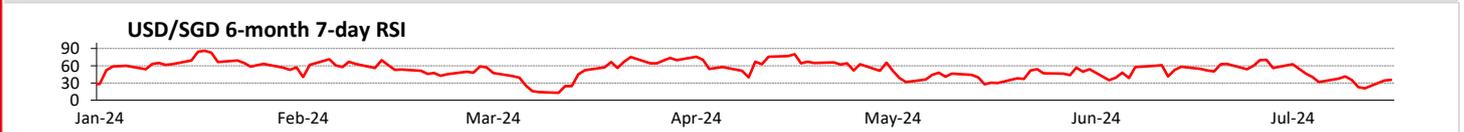
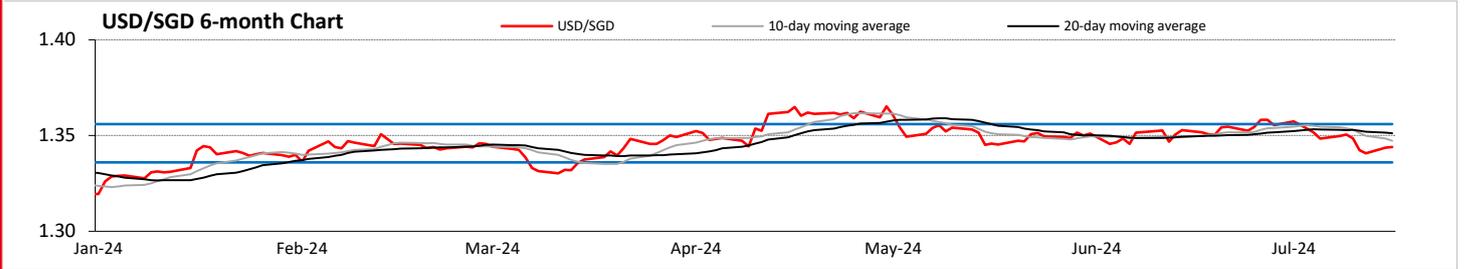


Daily FX Focus

16/7/2024

SGD	↘	<p>SGD ended weaker against the US dollar yesterday as the USD strengthened after easing initially while longer dated US treasury yields rose on growing bets of Donald trump winning the presidential race after a failed assassination attempt. USDSGD rose 0.22% yesterday while SGDHKD ended at 5.80 level.</p>
-----	---	---

Technical Analysis	vs USD	Market's Focus
16-Jul	1.34	
Daily change:	0.22%	
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*	1.3359	(~) Singapore Non Oil Domestic Exports recorded at -0.1% YoY in May
Support2*	1.3280	
Resistance1*	1.3556	
Resistance2*	1.3674	



Daily FX Focus

16/7/2024

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 16 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.

This information is only for a reference and does not represent recommendation from HSBC for customer to buy or sell based on the information provided. Customer should not rely on the views or information expressed in this document solely to make investment decisions. HSBC shall not be held liable for damages arising out of any person's reliance upon this information. Customer should make his/her buy and sell decision based on his/her own view. Also, past performance is not indicative of future performance.

Disclaimer:

This document has been prepared for information only. Information contained in this document is obtained from sources believed to be reliable; however HSBC does not guarantee its completeness or accuracy. The information contained in this document is intended for Singapore residents only and should not be construed as an offer to purchase or subscribe for any investment where such activities would be unlawful under the laws of such jurisdiction, in particular the United States of America and Canada. This material is not and should not be construed as an offer to sell or the solicitation of an offer to purchase or subscribe for any investment or securities nor shall it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever. The specific investment objectives, personal situation and particular needs of any person have not been taken in consideration. You should therefore not rely on it as investment advice. Opinions and estimates expressed are subject to change without notice and HSBC expressly disclaims any and all liability for representations and warranties, express or implied, contained herein, or for omissions. All charts and graphs are from publicly available sources or proprietary data. The mention of any security should not be construed as representing a recommendation to buy or sell that security, nor does it represent a forecast on future performance of the security.

This document is prepared by HSBC Bank (Singapore) Limited ("HBSP") to its customers for general reference only. HBSP is not responsible for any loss, damage or other consequences of any kind that you may incur or suffer as a result of, arising from or relating to your use or reliance of this document. HBSP gives no guarantee, representation or warranty as to the accuracy, timeliness or completeness of this document.

This document is prepared by The Hongkong and Shanghai Banking Corporation Limited ("HBAP"), 1 Queen's Road Central, Hong Kong. HBAP is incorporated in Hong Kong and is part of the HSBC Group.

