

Daily FX Focus

23/7/2024

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 investors risk appetite weakened due to uncertainty over the US Presidential elections and an unexpected rate-cut by the PBoC. While markets await new data to get fresh clues on the RBA's stance. AUDUSD fell 0.60% yesterday while AUDHKD ended at 5.18 level.

Currency	Current Trend	Support / Resistance		Market commentary
AUD	↘	vs USD	0.6603 / 0.6739	AUD fell against the dollar yesterday as investors risk appetite weakened due to uncertainty over the US Presidential elections and an unexpected rate-cut by the PBoC. While markets await new data to get fresh clues on the RBA's stance. AUDUSD fell 0.60% yesterday while AUDHKD ended at 5.18 level.
EUR	↘	vs USD	1.0766 / 1.0979	EUR rose against the USD yesterday due to political uncertainty after Biden's decision to drop out of Presidential election. EUR was also helped by tighter German-US spreads ahead of release of Eurozone consumer confidence report. EURUSD rose 0.11% yesterday while EURHKD ended at 8.50 level.
GBP	↘	vs USD	1.2721 / 1.3094	GBP rose against the dollar yesterday as USD fell as traders await Wednesday's UK flash PMI data for hints at UK growth and its downstream effects on inflation, which may affect BoE policy expectations. GBPUSD rose 0.10% yesterday while GBPHKD ended at 10.09 level.
NZD	↘	vs USD	0.5932 / 0.6096	NZD fell against the dollar yesterday and turns lower for the 3rd straight day. Bets for an early RBNZ rate cut and China's economic woes continue to weigh on the NZD. NZDUSD fell 0.52% yesterday while NZDHKD ended at 4.66 level.
RMB	↗	vs USD	7.2558 / 7.2837	CNH fell against the dollar yesterday weakening to a one-week low as a surprise rate cuts by the PBoC further widened the yield gap with the US, signaling intent to boost growth in the economy. USDCNH rose 0.16% yesterday while CNH HKD ended at 1.06 level.
CAD	↘	vs USD	1.3642 / 1.3803	CAD fell against the dollar yesterday. Focus moves to Wednesday's BoC policy decision with wide expectations of a 25 bps rate cut after recent easing in inflation and a declining retail sales. Fall in oil prices also weighed on CAD. USDCAD rose 0.14% yesterday while CADHKD ended at 5.67 level.
JPY	↗	vs USD	154.24 / 160.87	JPY rose against the dollar yesterday after two straight days of losses as the USD and UST yields fell after Biden's decision to end his re-election campaign. Focus moves to BOJ's next meeting with expectations of monetary tightening. USDJPY fell 0.31% yesterday while JPYHKD ended at 4.97 level.
CHF	↘	vs USD	0.8792 / 0.9024	CHF ended slightly weaker against the dollar yesterday despite the USD and US treasury yields coming under pressure after President Biden opting out of Presidential election. USDCHE rose 0.06% yesterday while CHFHKD ended at 8.77 level.
SGD	↘	vs USD	1.3368 / 1.3561	SGD ended slightly weaker against the US dollar yesterday despite the USD and UST yields retreating after Biden's decision to drop out of Presidential election. Meanwhile, the MAS is likely to stay on rate hold in July. USDSGD rose 0.05% yesterday while SGD HKD ended at 5.79 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.

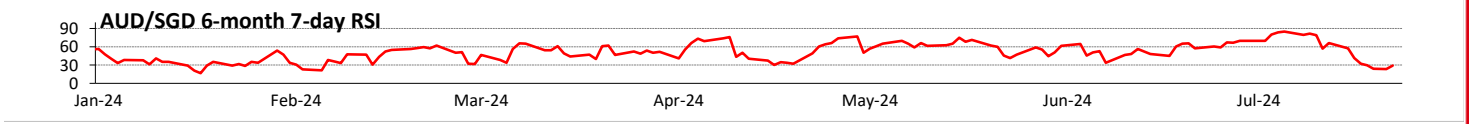
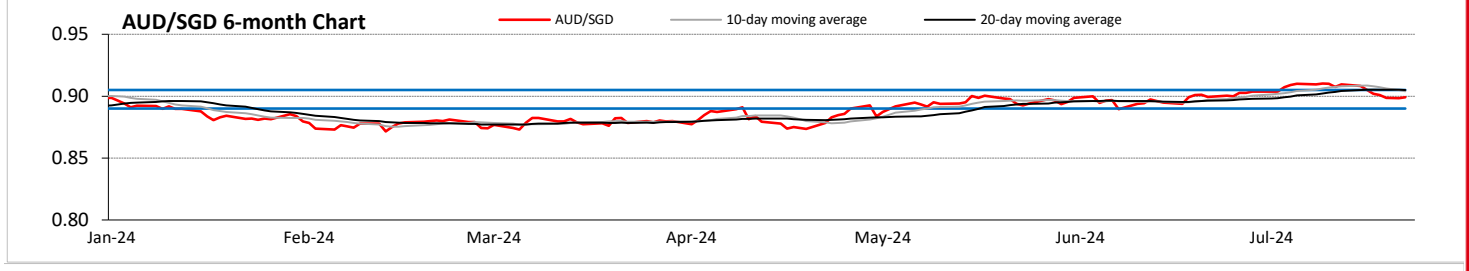
→	Consolidation, indicates that the currency's movement against USD has remained sideways
↗	Up Trend, indicates that the currency has been moving higher against the USD
↘	Down Trend, indicates that the currency has been moving lower against the USD

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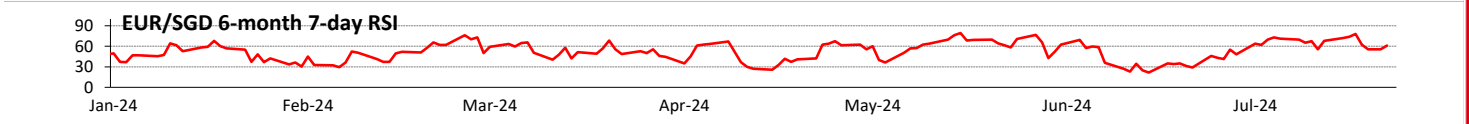
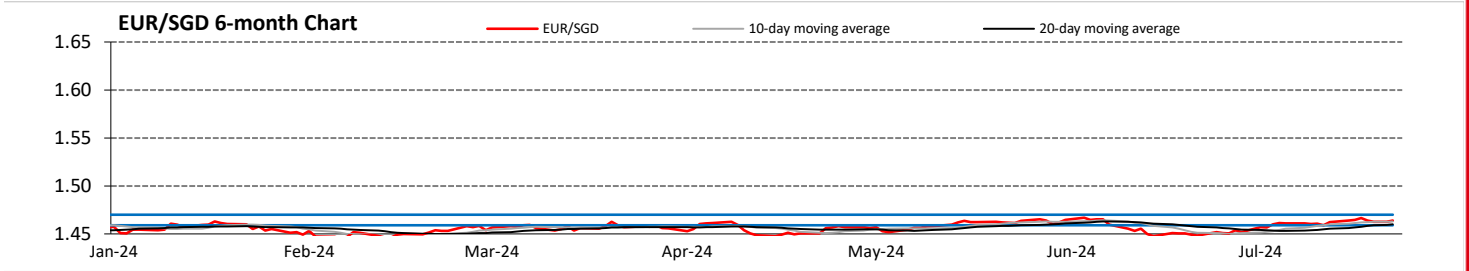
AUD	↓	<p>Reserve Bank of Australia kept benchmark interest rate unchanged in June. AUD fell against the dollar yesterday as investors risk appetite weakened due to uncertainty over the US Presidential elections and an unexpected rate-cut by the PBoC. While markets await new data to get fresh clues on the RBA's stance. AUDUSD fell 0.60% yesterday while AUDHKD ended at 5.18 level.</p>
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Technical Analysis	vs SGD	vs USD	Market's Focus
23-Jul	0.8940	0.6640	
Daily change:	-0.27%	-0.34%	(-) Australia Q1 GDP rose 1.1% YoY, lower than an increase of 1.5% in previous quarter
High*	0.9134	0.6798	(-) Australia June unemployment rate arrived at 4.1% , higher than 4% in previous month
Low*	0.8983	0.6662	(~) Australia CPI recorded at 1% YoY in Q1
Support1*	0.8900	0.6603	
Support2*	0.8870	0.6565	
Resistance1*	0.9050	0.6739	
Resistance2*	0.9170	0.6837	



EUR	↓	<p>European Central Bank kept benchmark interest rate unchanged in July. EUR rose against the USD yesterday due to political uncertainty after Biden's decision to drop out of Presidential election. EUR was also helped by tighter German-US spreads ahead of release of Eurozone consumer confidence report. EURUSD rose 0.11% yesterday while EURHKD ended at 8.50 level.</p>
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Technical Analysis	vs SGD	vs USD	Market's Focus
23-Jul	1.4660	1.0890	
Daily change:	-0.09%	-0.17%	
High*	1.4669	1.0947	(~) Eurozone June CPI rose 2.5% YoY, same as previous month
Low*	1.4562	1.0734	(~) Germany June manufacturing PMI arrived at 43.5
Support1*	1.4590	1.0766	(~) Germany June Business Climate arrived at 88.6
Support2*	1.4520	1.0644	
Resistance1*	1.4700	1.0979	
Resistance2*	1.4740	1.1070	

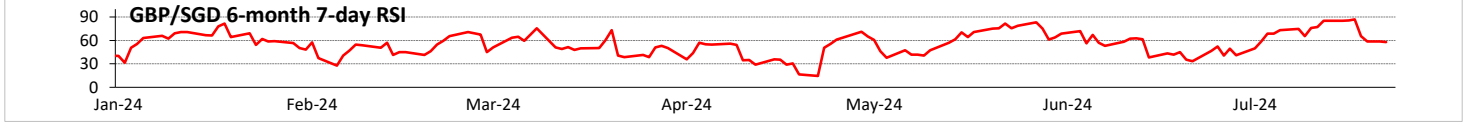
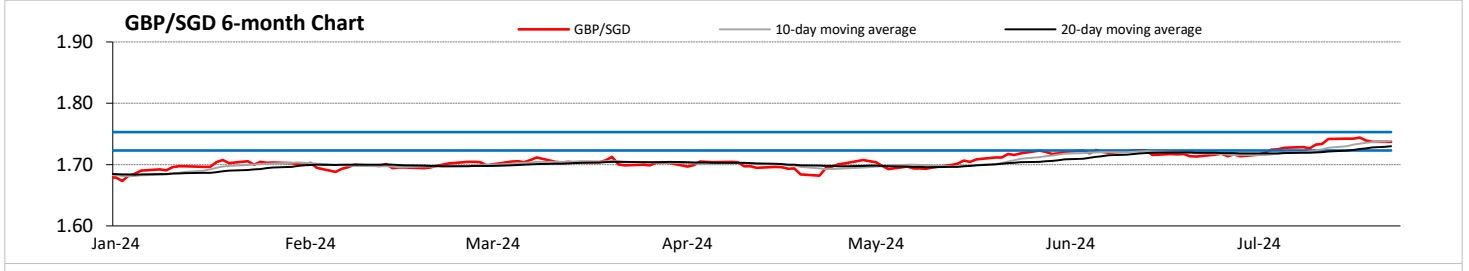


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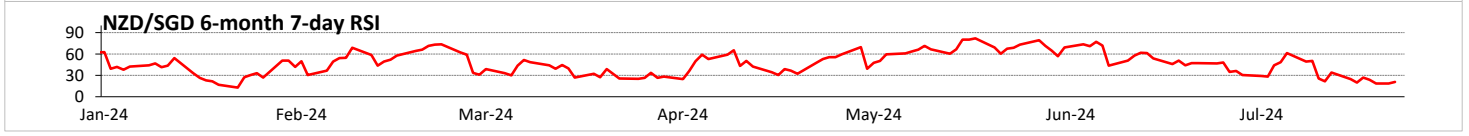
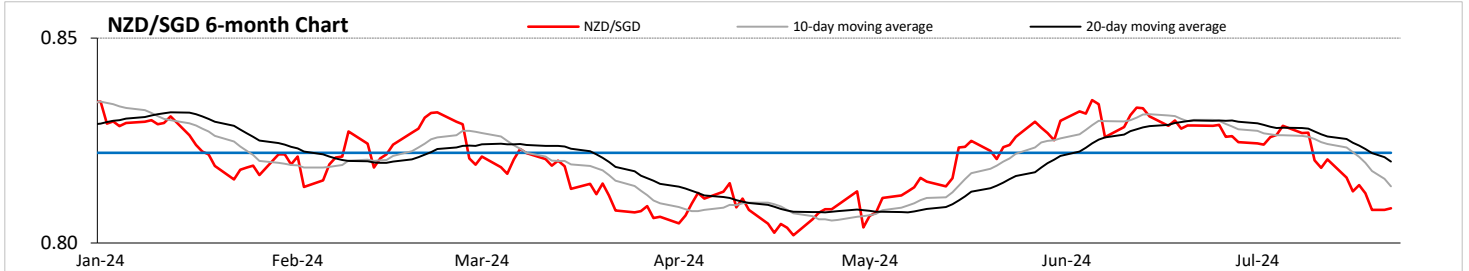
GBP	↘	<p>Bank of England kept benchmark interest rate unchanged in June. GBP rose against the dollar yesterday as USD fell as traders await Wednesday's UK flash PMI data for hints at UK growth and its downstream effects on inflation, which may affect BoE policy expectations. GBPUSD rose 0.10% yesterday while GBPHKD ended at 10.09 level.</p>
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Technical Analysis	vs SGD	vs USD	Market's Focus
23-Jul	1.7400	1.2930	
Daily change:	-0.11%	-0.17%	
High*	1.7476	1.3044	(-) UK June CPI rose 0.1% YoY, lower than an increase of 0.3% in previous month
Low*	1.7180	1.2671	(~) UK ILO May 's 3Mths unemployment rate was at 4.4% , same as previous month
Support1*	1.7230	1.2721	(~) UK Nationwide House Prices All Houses recorded at 1.5% YoY in June
Support2*	1.7060	1.2509	
Resistance1*	1.7530	1.3094	
Resistance2*	1.7650	1.3255	



NZD	↘	<p>Reserve Bank of New Zealand kept benchmark interest rate unchanged in July. NZD fell against the dollar yesterday and turns lower for the 3rd straight day. Bets for an early RBNZ rate cut and China's economic woes continue to weigh on the NZD. NZDUSD fell 0.52% yesterday while NZDHKD ended at 4.66 level.</p>
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Technical Analysis	vs SGD	vs USD	Market's Focus
23-Jul	0.8050	0.5980	
Daily change:	-0.49%	-0.58%	
High*	0.8316	0.6167	(-) New Zealand Q1 GDP rose 0.3% YoY, lower than an increase of -0.3% in previous quarter
Low*	0.8073	0.6003	(-) New Zealand Q2 CPI rose 3.3% YoY, lower than an increase of 4% in previous quarter
Support1*	0.7970	0.5932	(~) New Zealand Q1 unemployment rate arrived at 4.3%
Support2*	0.7900	0.5885	
Resistance1*	0.8220	0.6096	
Resistance2*	0.8390	0.6213	

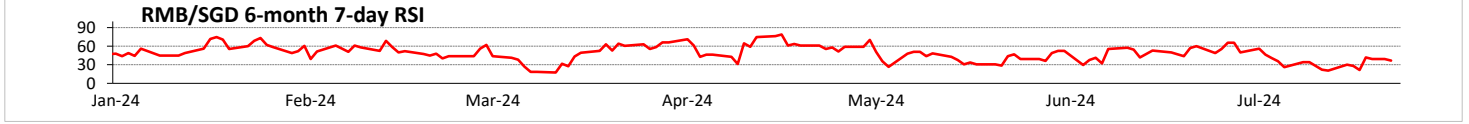
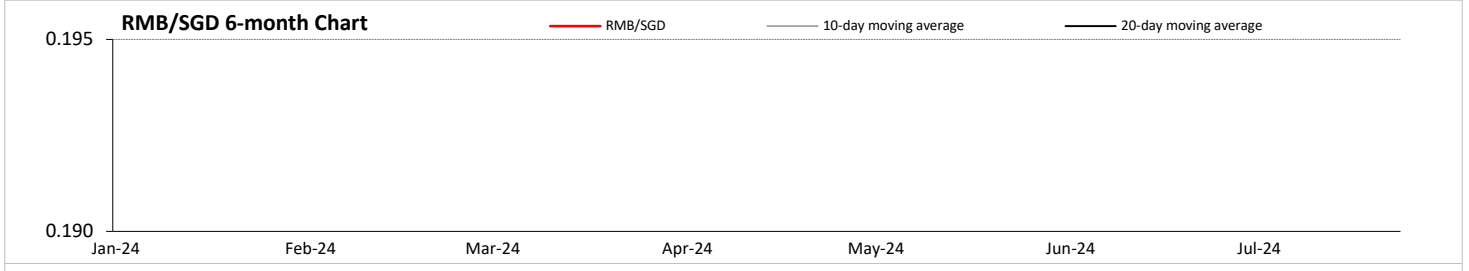


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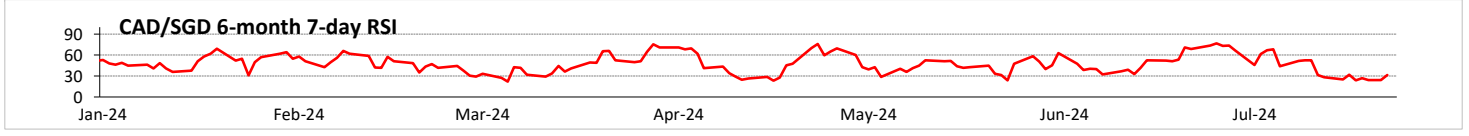
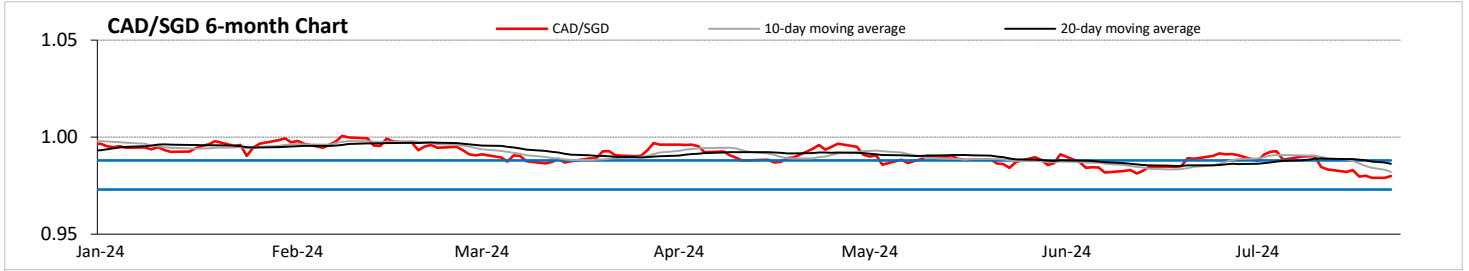
RMB	↗	<p>CNH fell against the dollar yesterday weakening to a one-week low as a surprise rate cuts by the PBoC further widened the yield gap with the US, signaling intent to boost growth in the economy. USDCNH rose 0.16% yesterday while CNH HKD ended at 1.06 level.</p>
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Technical Analysis	vs SGD	vs USD	Market's Focus
23-Jul	0.1850	7.2740	
Daily change:	-0.05%	0.13%	(-) China Q2 GDP rose 4.7% YoY, lower than an increase of 5.3% in previous quarter
High*	0.1867	7.2761	(~) China CPI recorded at 0.2% YoY in June
Low*	0.1843	7.2482	(~) China June Caixin manufacturing PMI arrived at 49.5
Support1*	0.1840	7.2558	(-) China June industrial production rose 5.3% YoY, lower than an increase of 5.6% in previous month
Support2*	0.1830	7.2381	
Resistance1*	0.1860	1.3094	
Resistance2*	0.1880	1.3255	



CAD	↘	<p>Bank of Canada reduced benchmark interest rate in June. CAD fell against the dollar yesterday. Focus moves to Wednesday's BoC policy decision with wide expectations of a 25 bps rate cut after recent easing in inflation and a declining retail sales. Fall in oil prices also weighed on CAD. USDCAD rose 0.14% yesterday while CAD HKD ended at 5.67 level.</p>
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Technical Analysis	vs SGD	vs USD	Market's Focus
23-Jul	0.9780	1.3750	
Daily change:	-0.12%	0.20%	(-) Canada Q1 GDP rose 0.53% YoY, lower than an increase of 0.93% in previous month
High*	0.9931	1.3747	(-) Canada June CPI rose 2.7% YoY, lower than an increase of 2.9% in previous month
Low*	0.9777	1.3586	(~) Canada June unemployment rate arrived at 6.4%
Support1*	0.9730	1.3642	(~) Canada June Manufacturing PMI arrived at 49.3
Support2*	0.9680	1.3534	
Resistance1*	0.9880	1.3803	
Resistance2*	0.9980	1.3856	

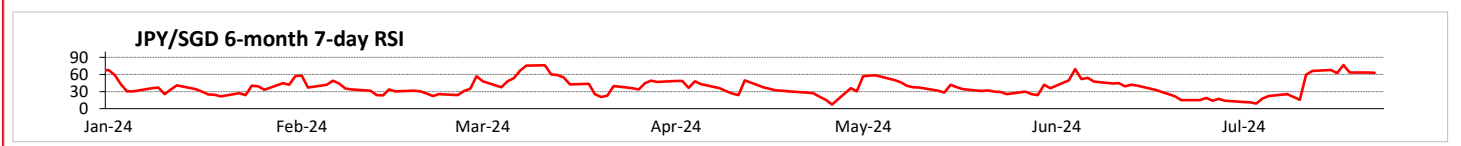
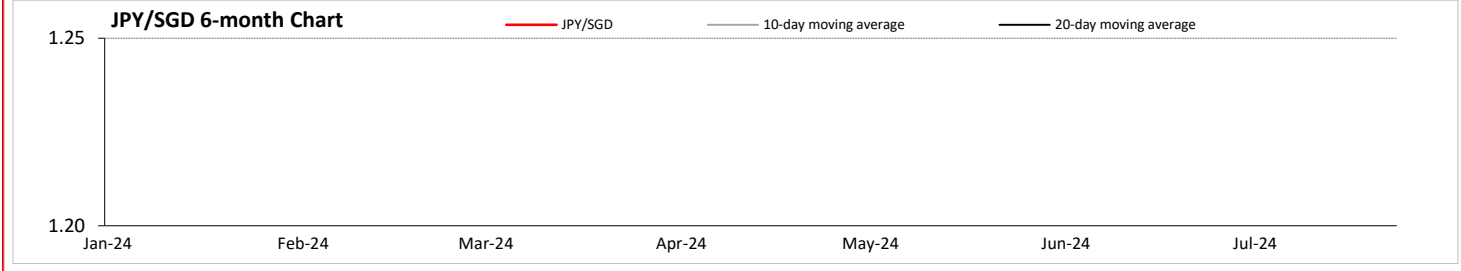


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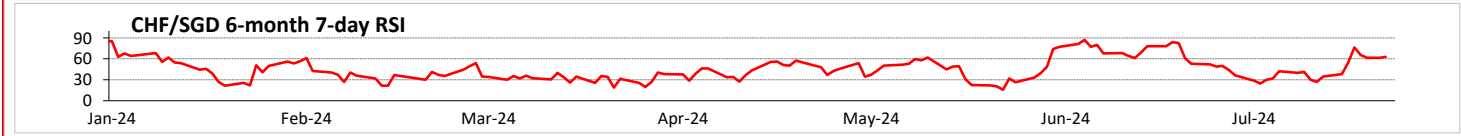
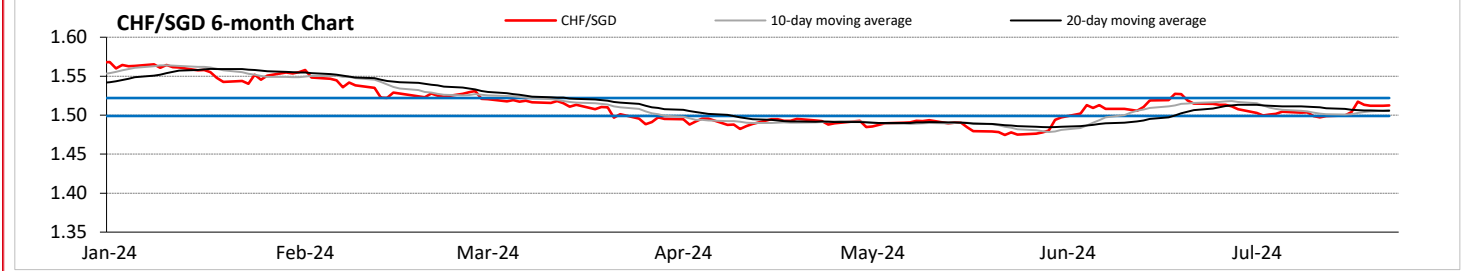
JPY	↗	Bank of Japan kept benchmark interest rate unchanged in January. JPY rose against the dollar yesterday after two straight days of losses as the USD and UST yields fell after Biden's decision to end his re-election campaign. Focus moves to BOJ's next meeting with expectations of monetary tightening. USDJPY fell 0.31% yesterday while JPYHKD ended at 4.97 level.
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Technical Analysis	vs SGD	vs USD	Market's Focus
23-Jul	0.8570	157.00	
Daily change:	0.00%	0.08%	
High*	0.8622	161.99	(+) Japan Q1 GDP rose -2% YoY, higher than an increase of 0.4% in previous quarter
Low*	0.8320	155.36	(+) Japan June CPI nationwide ex fresh food rose 2.6% YoY, higher than an increase of 2.5% in previous month
Support1*	0.8390	154.24	(~) Japan June manufacturing PMI arrived at 50
Support2*	0.8200	151.49	(+) Japan May Industrial Production rose 3.6% MoM, higher than an increase of 2.8% in previous month
Resistance1*	0.8690	160.87	
Resistance2*	0.8810	164.75	



CHF	↘	Swiss National Bank reduced benchmark interest rate in June. CHF ended slightly weaker against the dollar yesterday despite the USD and US treasury yields coming under pressure after President Biden opting out of Presidential election. USDCHF rose 0.06% yesterday while CHFHKD ended at 8.77 level.
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Technical Analysis	vs SGD	vs USD	Market's Focus
23-Jul	1.5130	0.8900	
Daily change:	-0.10%	0.17%	
High*	1.5188	0.9050	(~) Switzerland Q1 GDP rose 0.6% YoY, same as previous quarter
Low*	1.4955	0.8818	(~) Switzerland CPI recorded at 1.3% YoY in June
Support1*	1.4990	0.8792	(~) Switzerland June unemployment rate arrived at 2.4%
Support2*	1.4860	0.8689	(~) Switzerland June Foreign Currency Reserves arrived at 711456M
Resistance1*	1.5220	0.9024	
Resistance2*	1.5320	0.9153	



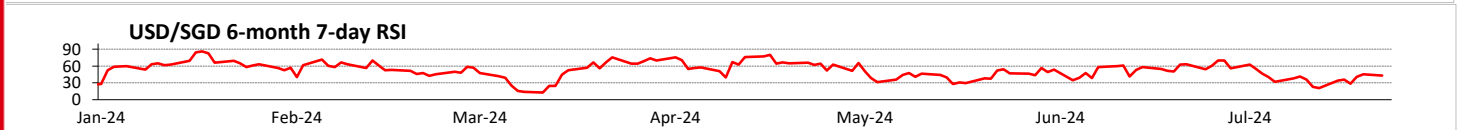
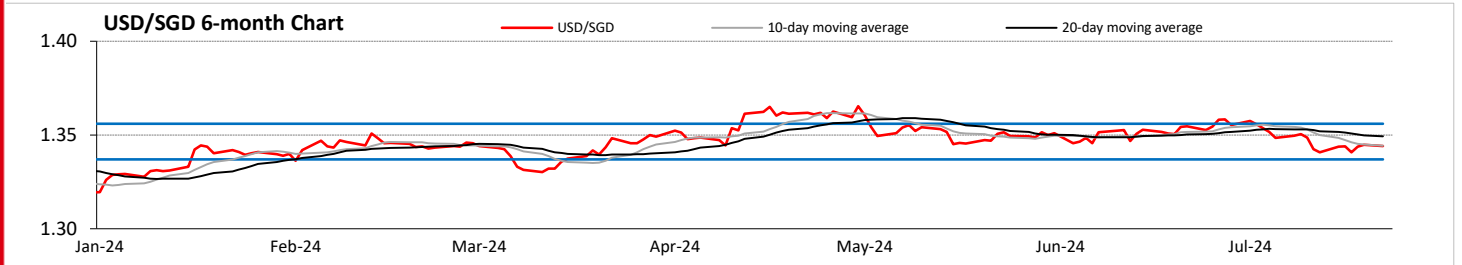
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SGD	↘	<p>SGD ended slightly weaker against the US dollar yesterday despite the USD and UST yields retreating after Biden's decision to drop out of Presidential election. Meanwhile, the MAS is likely to stay on rate hold in July. USDSGD rose 0.05% yesterday while SGDHKD ended at 5.79 level.</p>
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Technical Analysis	vs USD	Market's Focus
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Technical Analysis	vs USD	Market's Focus
23-Jul	1.35	
Daily change:	0.08%	(~) Singapore CPI recorded at 3.1% YoY in May
High*	1.36	(~) Singapore Q1 unemployment rate arrived at 2.1% , same as previous quarter
Low*	1.34	(+) Singapore June Non Oil Domestic Exports rose -8.7% YoY, higher than an increase of -0.1% in previous month
Support1*	1.3368	
Support2*	1.3280	
Resistance1*	1.3561	
Resistance2*	1.3666	



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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	4.25	12-Sep-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)	3.35	3.45	20-Aug-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 23 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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