

Daily FX Focus

27/1/2021

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 MYR deposit will be subject to the risk of exchange rate fluctuation. If you choose to convert your foreign currency and MYR 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 MYR, you may suffer loss in principal.

Currency	Current Trend*	Support / Resistance	Market commentary
AUD	↗	vs USD 0.7661 / 0.7821	U.S. January consumer confidence index recorded at 89.3, which was slightly better than the market expected. AUDUSD rose 0.6% and broke above the 0.77 handle overnight; while AUDHKD broke above the 6.0 level.
EUR	→	vs USD 1.2026 / 1.2319	The Prime Minister of Italy offered to resign earlier, and the market has been paying close attention to the latest development in Italy. EURUSD rose 0.2% overnight; while EURHKD stayed above the 9.4 level.
GBP	↗	vs USD 1.3538 / 1.3840	U.K. November unemployment rate recorded at 5%, which was slightly better than the market expected. GBPUSD rose 0.5% and broke above the 1.37 handle overnight; while GBPHKD broke above the 10.6 level.
NZD	↗	vs USD 0.7119 / 0.7330	U.S. January consumer confidence index recorded at 89.3, which was slightly better than the market expected. NZDUSD rose 0.5% and broke above the 0.72 handle overnight; while NZDHKD broke above the 5.6 level.
RMB	→	vs USD 6.4424 / 6.4903	The U.S. government stated that it will handle the China-U.S. relationship with a strategic patient approach. USDCNH fell 0.2% and dropped below the 6.48 level overnight; while CNHHKD traded above the 1.19 level.
CAD	↗	vs USD 1.2572 / 1.2821	Investors continued to evaluate whether the U.S. large-scale fiscal stimulus measures will be effective. USDCAD fell 0.4% and dropped below the 1.27 level overnight; while CADHKD broke above the 6.1 level.
JPY	→	vs USD 102.90 / 104.35	U.S. January consumer confidence index recorded at 89.3, which was slightly better than the market expected. USDJPY fell slightly by 0.2% overnight; while JPYHKD traded above the 7.4 level.
SGD	↗	vs USD 1.3164 / 1.3332	Singapore December manufacturing output rose 2.4% month-on-month, which was better than the market expected. USDSGD fell 0.2% overnight; while SGDHKD traded above the 5.8 level.
MYR	→	vs USD 4.0120 / 4.0770	With a weaker USD overnight, the USDMYR opened marginally above 4.04 levels this morning. In the run up to the FOMC meeting which starts overnight and some uncertainty over the USD1.9bn covid19 relief package, the currency pair may continue to trade sideways in a familiar range of 4.03 – 4.06 until FOMC concludes or US fiscal progress is made.

Last week, USD/MYR traded back up from 4.16 levels on Monday to close above 4.18 levels on Friday after the euphoria of a USD-China trade war ceasefire died down. For today, market players may turn their focus back to uncertainty in world growth and political noises amidst lower oil prices. The market expects the pair to trade in

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

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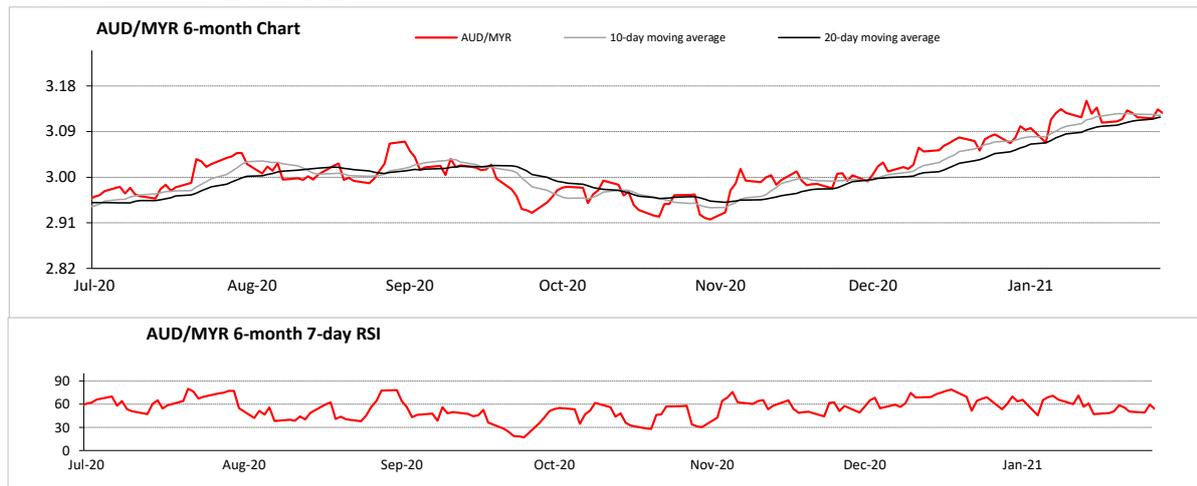
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AUD



RBA kept benchmark interest rate unchanged in December. U.S. January consumer confidence index recorded at 89.3, which was slightly better than the market expected. AUDUSD rose 0.6% and broke above the 0.77 handle overnight; while AUDHKD broke above the 6.0 level.

Tehcnical Analysis	vs MYR	vs USD	Market's Focus
27-Jan	3.1340	0.7740	
Daily change:	0.56%	0.56%	(+) Australia Q3 GDP fell 3.8% YoY, dropped less than a decrease of 6.4% in previous quarter
High	3.1540	0.7817	(+) Australia December unemployment rate arrived at 6.6%, lower than 6.8% in previous month
Low	3.0977	0.7657	(+) Australia December Commodity Price Index arrived at 11.7%, higher than 2.5% in previous month
Support*	3.1030	0.7661	(-) Australia Q4 CPI rose 0.9% YoY, lower than an increase of 1.6% in previous quarter
Resistance*	3.1590	0.7821	

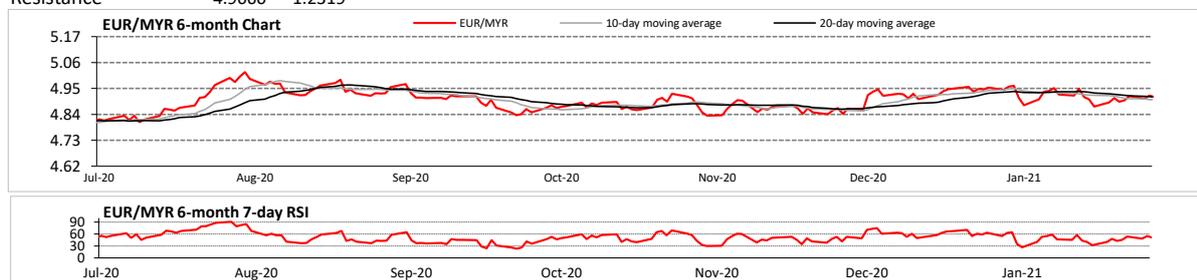


EUR



ECB kept benchmark interest rate unchanged in January. The Prime Minister of Italy offered to resign earlier, and the market has been paying close attention to the latest development in Italy. EURUSD rose 0.2% overnight; while EURHKD stayed above the 9.4 level.

Tehcnical Analysis	vs MYR	vs USD	Market's Focus
27-Jan	4.9200	1.2160	
Daily change:	0.27%	0.27%	(~) Eurozone December CPI fell 0.3% YoY, same as previous month
High	4.9620	1.2345	(-) Germany January manufacturing PMI arrived at 57, lower than 58.3 in previous month
Low	4.8674	1.2052	(-) Germany January Business Climate arrived at 90.1, lower than 92.2 in previous month
Support*	4.8710	1.2026	
Resistance*	4.9660	1.2319	

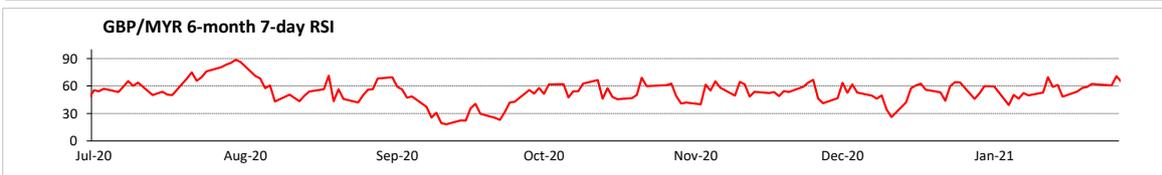
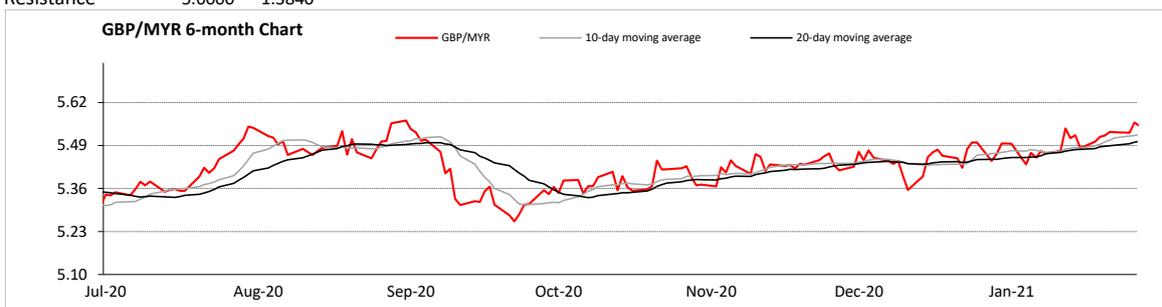


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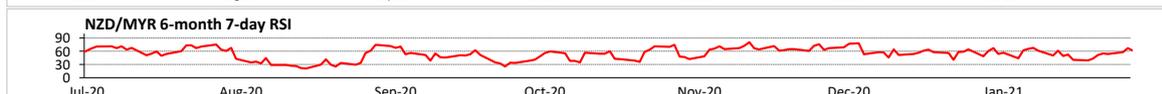
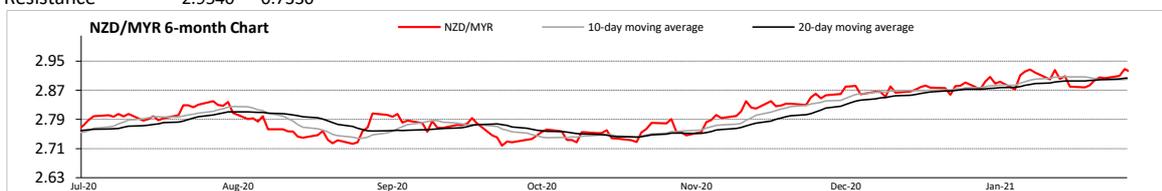
GBP	↗	<p>Bank of England kept benchmark interest rate unchanged in November. U.K. November unemployment rate recorded at 5%, which was slightly better than the market expected. GBPUSD rose 0.5% and broke above the 1.37 handle overnight; while GBPHKD broke above the 10.6 level.</p>
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Techinal Analysis	vs MYR	vs USD	Market's Focus
27-Jan	5.5590	1.3730	
Daily change:	0.56%	0.56%	(+) UK December CPI rose 0.3% YoY, higher than a decrease of 0.1% in previous month
High	5.5622	1.3751	(-) UK ILO November's 3Mths unemployment rate was at 5%, higher than 4.9% in previous month
Low	5.4428	1.3449	(+) UK December Nationwide House Prices All Houses rose 7.3% YoY, higher than an increase of 6.5% in previous month
Support*	5.4810	1.3538	
Resistance*	5.6000	1.3840	



NZD	↗	<p>RBNZ kept benchmark interest rate unchanged in November. U.S. January consumer confidence index recorded at 89.3, which was slightly better than the market expected. NZDUSD rose 0.5% and broke above the 0.72 handle overnight; while NZDHKD broke above the 5.6 level.</p>
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Techinal Analysis	vs MYR	vs USD	Market's Focus
27-Jan	2.9280	0.7240	(+) New Zealand Q3 GDP rose 0.4% YoY, higher than a decrease of 11.3% in previous quarter
Daily change:	0.66%	0.66%	(~) New Zealand Q4 CPI rose 1.4% YoY, same as previous quarter
High	2.9380	0.7305	(-) New Zealand Q3 unemployment rate arrived at 5.3%, higher than 4% in previous quarter
Low	2.8709	0.7094	(+) New Zealand December Commodity Price Index arrived at 1.8%, higher than 0.9% in previous month
Support*	2.8870	0.7119	
Resistance*	2.9540	0.7330	

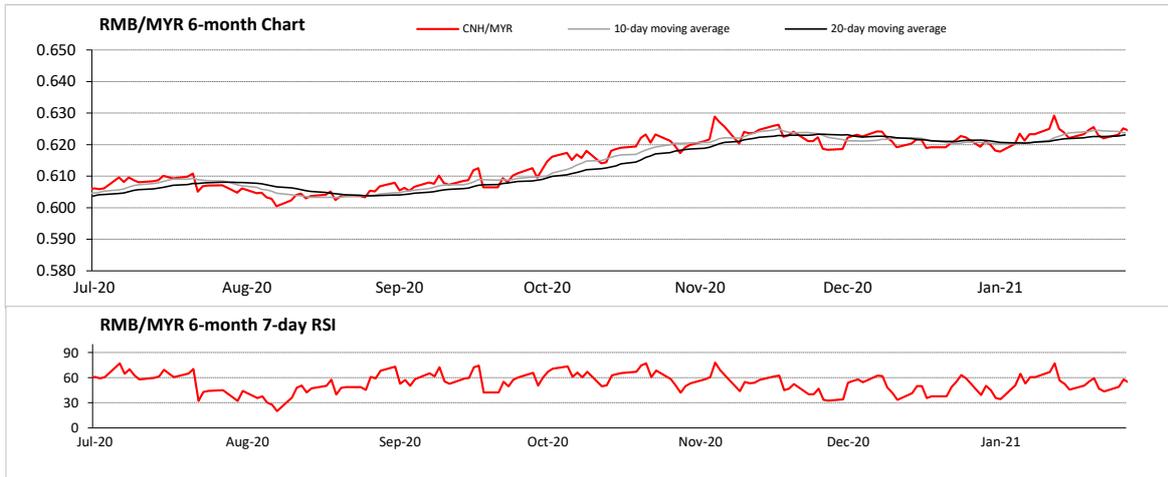


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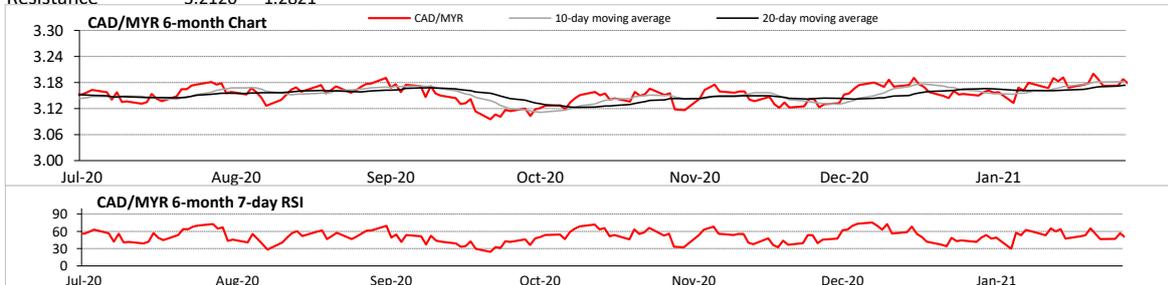
RMB	→	The U.S. government stated that it will handle the China-U.S. relationship with a strategic patient approach. USDCNH fell 0.2% and dropped below the 6.48 level overnight; while CNHHKD traded above the 1.19 level.
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Tehcnical Analysis	vs MYR	vs USD	Market's Focus
27-Jan	0.6250	6.4640	
Daily change:	0.34%	0.34%	(+) China Q4 GDP rose 6.5% YoY, higher than an increase of 4.9% in previous quarter
High	0.6297	6.4960	(+) China December CPI rose 0.2% YoY, higher than a decrease of 0.5% in previous month
Low	0.6209	6.4481	(-) China December Caixin manufacturing PMI arrived at 53, lower than 54.9 in previous month
Support*	0.6210	6.4424	(+) China December industrial production rose 7.3% YoY, higher than an increase of 7% in previous month
Resistance*	0.6300	6.4903	



CAD	↗	Bank of Canada kept benchmark interest rate unchanged in January. Investors continued to evaluate whether the U.S. large-scale fiscal stimulus measures will be effective. USDCAD fell 0.4% and dropped below the 1.27 level overnight; while CADHKD broke above the 6.1 level.
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Tehcnical Analysis	vs MYR	vs USD	Market's Focus
27-Jan	3.1880	1.2690	(+) Canada October GDP fell 3.5% YoY, dropped less than a decrease of 3.8% in previous month
Daily change:	0.46%	0.46%	(-) Canada December CPI rose 0.7% YoY, lower than an increase of 1% in previous month
High	3.2072	1.2835	(-) Canada December unemployment rate arrived at 8.8%, higher than 8.6% in previous month
Low	3.1545	1.2586	(+) Canada December Manufacturing PMI arrived at 57.9, higher than 55.8 in previous month
Support*	3.1590	1.2572	
Resistance*	3.2120	1.2821	

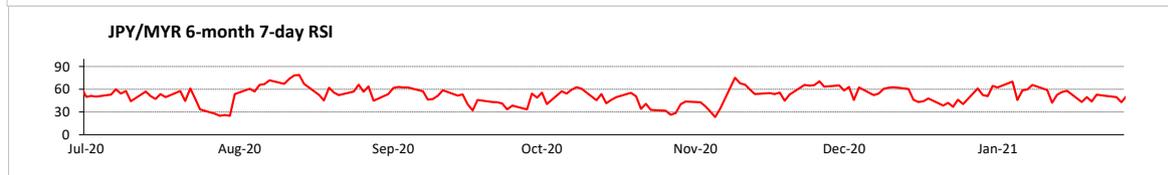
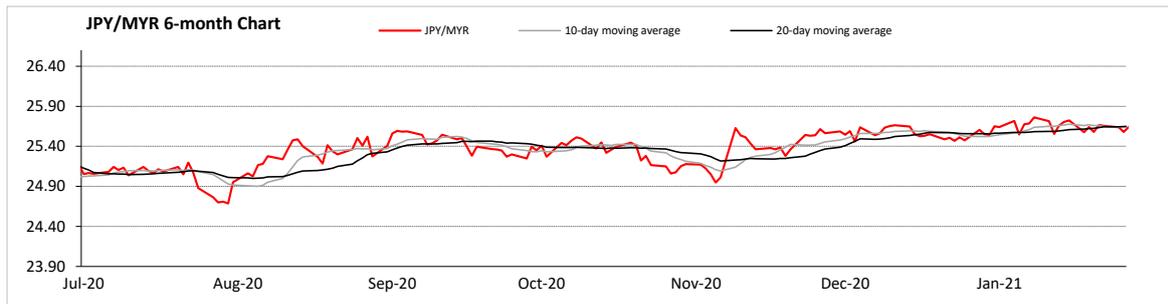


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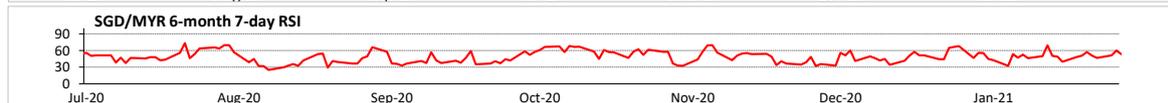
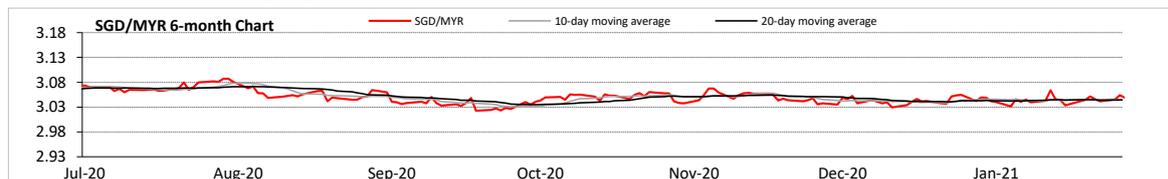
JPY	→	Bank of Japan kept benchmark interest rate unchanged in January. U.S. January consumer confidence index recorded at 89.3, which was slightly better than the market expected. USDJPY fell slightly by 0.2% overnight; while JPYHKD traded above the 7.4 level.
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Technical Analysis	vs MYR	vs USD	Market's Focus
27-Jan	25.5800	103.60	
Daily change:	-0.22%	-0.22%	(+) Japan Q3 GDP fell 5.7% YoY, dropped less than a decrease of 10.3% in previous quarter
High	25.8032	104.39	(-) Japan December CPI nationwide ex fresh food fell 1.2% YoY, dropped more than a decrease of 0.9% in previous month
Low	25.5126	102.94	(-) Japan January manufacturing PMI arrived at 49.7, lower than 50 in previous month
Support*	25.4610	102.90	(*) Japan November Industrial Production fell 0.5% MoM, same as previous month
Resistance*	25.7510	104.35	



SGD	↗	Singapore December manufacturing output rose 2.4% month-on-month, which was better than the market expected. USDSGD fell 0.2% overnight; while SGDHKD traded above the 5.8 level.
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Technical Analysis	vs MYR	vs USD	Market's Focus
27-Jan	3.0540	1.3250	(+) Singapore December CPI kept flat YoY, higher than a decrease of 0.1% in previous month
Daily change:	0.29%	0.29%	(-) Singapore Q3 unemployment rate arrived at 3.6%, higher than 2.8% in previous quarter
High	3.0657	1.3335	(+) Singapore December Non Oil Domestic Exports rose 6.8% YoY, higher than a decrease of 5% in previous month
Low	3.0288	1.3167	
Support*	3.0330	1.3164	
Resistance*	3.0700	1.3332	

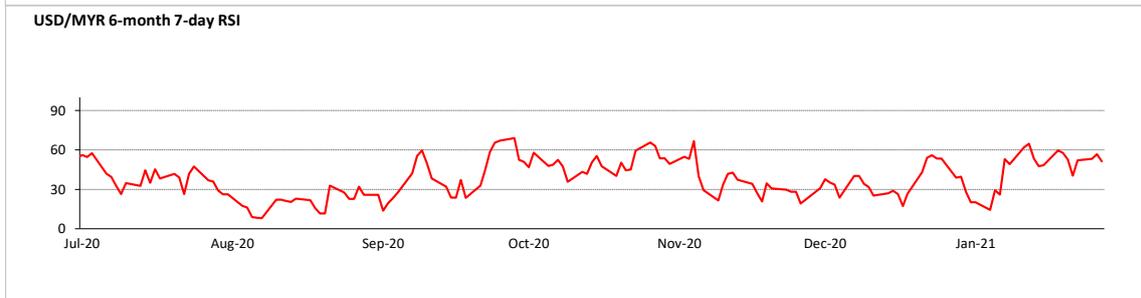
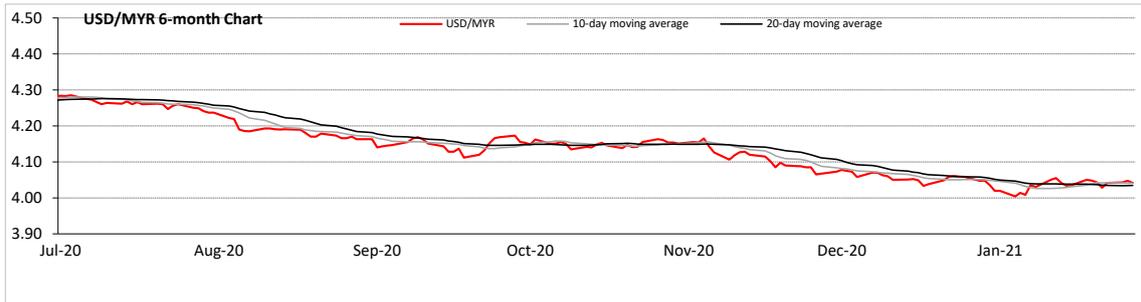


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MYR	→	<p>With a weaker USD overnight, the USDMYR opened marginally above 4.04 levels this morning. In the run up to the FOMC meeting which starts overnight and some uncertainty over the USD1.9bn covid19 relief package, the currency pair may continue to trade sideways in a familiar range of 4.03 – 4.06 until FOMC concludes or US fiscal progress is made.</p>
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Tehcnical Analysis	vs USD	Market's Focus
27-Jan	4.0470	(+) US Conf. Board Consumer Confidence (Jan) 8930.0% , expected 8900.0%, prior 8860.0%
Daily change:	0.10%	
High	4.0720	
Low	4.0070	
Support*	4.0120	
Resistance*	4.0770	



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Important Economic Data Release

Source: Bloomberg as of January 27, 2021

		Analysts			
		Consensus	Previous	Actual	
United States					
26-Jan-21	Consumer Confidence*	Jan	89	88.6	89.3
26-Jan-21	Richmond Fed Manufact. Index	Jan	17%	19%	14%
27-Jan-21	Durable Goods Orders*	Dec	1%	1%	-
27-Jan-21	Durables Ex Transportation	Dec	0.50%	0.40%	-
27-Jan-21	MBA Mortgage Applications*	Weekly		-1.90%	-
28-Jan-21	GDP QoQ (Annualised)*	Qtrly	4.20%	33.40%	-
28-Jan-21	GDP Price Index	Qtrly	2.20%	3.50%	-
28-Jan-21	PCE Deflator QoQ	Qtrly	1.20%	3.40%	-
28-Jan-21	Personal Consumption	Qtrly	3.20%	41%	-
28-Jan-21	Initial Jobless Claims*	Weekly	880K	900K	-
28-Jan-21	Continuing Claims	Weekly	5000K	5054K	-
28-Jan-21	Leading Indicators*	Dec	0.30%	0.60%	-
28-Jan-21	Wholesale Inventories	Dec	0.40%	0%	-
28-Jan-21	New Home Sales*	Dec	860K	841K	-
28-Jan-21	New Home Sales*	Dec	860K	841K	-
29-Jan-21	Chicago Purchasing Manager	Jan	58	58.7	-
29-Jan-21	U. of Michigan Confidence*	Mar	79.2	79.2	-
29-Jan-21	Employment Cost Index	Qtrly	0.50%	0.50%	-
29-Jan-21	Personal Spending*	Dec	-0.40%	-0.40%	-
29-Jan-21	Personal Income*	Dec	0.10%	-1.10%	-
29-Jan-21	Pending Home Sales MoM	Dec	-0.25%	-2.60%	-
Regional					
26-Jan-21	Hong Kong Export YoY %	Dec	8.40%	5.60%	11.70%
26-Jan-21	Hong Kong Import YoY %	Dec	8%	5.10%	14.10%
27-Jan-21	Australia Consumer Price (QoQ)*	Qtrly	0.7	1.6	-
27-Jan-21	Australia Consumer Price (YoY)*	Qtrly	0.70%	0.70%	-
28-Jan-21	New Zealand Trade Balance*	Dec	800M	252.11M	-
28-Jan-21	New Zealand Imports	Dec	4.85M	4952.51M	-
29-Jan-21	Australia Private Sector Credit MoM%	Dec	0.20%	0.10%	-
29-Jan-21	Australia Private Sector Credit YoY%	Dec	1.70%	1.70%	-
29-Jan-21	Australia Producer Price Index (QoQ)	Qtrly		0.40%	-
29-Jan-21	Hong Kong GDP (YoY)	Qtrly	-1.90%	-3.50%	-
29-Jan-21	Hong Kong GDP (QoQ)	Qtrly	0.70%	2.80%	-
29-Jan-21	Hong Kong Gov't Monthly Budget	Dec		-5.9B	-
G7 Countries					
25-Jan-21	Germany Germany IFO - Business Climate*	Jan	91.4	92.1	90.1
25-Jan-21	Germany IFO - Expectations*	Jan	93.6	92.8	91.1
25-Jan-21	Germany IFO - Current Assessment	Jan	90.6	91.3	89.2
26-Jan-21	UK Jobless Claims Change*	Dec		64.3K	7K
26-Jan-21	UK Claimant Count Rate*	Dec		7.40%	7.40%
26-Jan-21	UK ILO Unemployment Rate (3mths)	Nov	5.10%	4.90%	5%
28-Jan-21	Germany Consumr Price Index (MoM)	Jan	0.40%	0.50%	-
28-Jan-21	Germany Consumr Price Index (YoY)	Jan	0.70%	-0.30%	-
28-Jan-21	Germany CPI - EU Harmonised (YoY)	Jan	0.50%	-0.70%	-
28-Jan-21	Germany CPI - EU Harmonised (MoM)	Jan	0.30%	0.60%	-
28-Jan-21	Japan Retail Trade YoY	Dec	-0.50%	0.60%	-
28-Jan-21	Japan Retail Trade MoM SA	Dec	-0.70%	-2.10%	-
28-Jan-21	UK Nat'wide House Price sa (MoM)*	Jan	0.30%	0.80%	-
28-Jan-21	UK Nat'wide House Price nsa (YoY)*	Jan	6.90%	7.30%	-
29-Jan-21	Canada GDP MoM*	Nov	0.40%	0.40%	-
29-Jan-21	Canada Industrial Product Price MoM	Dec	1.40%	-0.60%	-
29-Jan-21	France GDP (QoQ)	Qtrly	-4%	18.70%	-
29-Jan-21	France GDP (YoY)	Qtrly	-7.60%	-3.90%	-

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Currency Market Movements Table

	Current	Night Desk		2 Weeks		1 Month		3 Months	
		High	Low	High	Low	High	Low	High	Low
AUD/MYR	3.1316	3.1374	3.1299	3.1550	3.1329	3.1550	3.1329	3.1550	3.1329
EUR/MYR	4.9157	4.9220	4.9116	4.9537	4.9293	4.9671	4.9471	4.9740	4.9510
GBP/MYR	5.5512	5.5600	5.5483	5.5620	5.5514	5.5620	5.5514	5.5620	5.5514
MYR/JPY	25.6400	25.6457	25.5771	25.7670	25.6810	25.8220	25.7270	25.8220	25.7270
NZD/MYR	2.9237	2.9289	2.9218	2.9331	2.9238	2.9384	2.9238	2.9384	2.9238
SGD/MYR	3.0504	3.0543	3.0478	3.0668	3.0522	3.0668	3.0522	3.0710	3.0611
USD/MYR	4.0420	4.0430	4.0380	4.0553	4.0455	4.0760	4.0520	4.1745	4.1615
AUD/USD	0.7747	0.7763	0.7737	0.7805	0.7722	0.7820	0.7735	0.7820	0.7735
EUR/USD	1.2161	1.2176	1.2158	1.2223	1.2140	1.2349	1.2267	1.2349	1.2267
GBP/USD	1.3734	1.3751	1.3728	1.3752	1.3666	1.3752	1.3666	1.3752	1.3666
NZD/USD	0.7233	0.7247	0.7201	0.7248	0.7201	0.7315	0.7242	0.7315	0.7242
USD/JPY	103.7000	103.8080	103.5530	104.3300	103.7500	104.4000	104.0800	105.6800	105.1600
AUD/GBP	0.5641	0.5646	0.5631	0.5698	0.5660	0.5742	0.5699	0.5742	0.5699
AUD/NZD	1.0709	1.0715	1.0687	1.0843	1.0800	1.0843	1.0800	1.0843	1.0800
AUD/SGD	1.0264	1.0278	1.0252	1.0329	1.0246	1.0329	1.0246	1.0329	1.0246
EUR/AUD	1.5696	1.5703	1.5674	1.5805	1.5716	1.6154	1.6071	1.6687	1.6565
EUR/NZD	1.6811	1.6816	1.6780	1.7072	1.6973	1.7237	1.7155	1.7716	1.7650
EUR/GBP	0.8854	0.8856	0.8848	0.8947	0.8896	0.9093	0.9031	0.9230	0.9090
GBP/SGD	1.8196	1.8211	1.8184	1.8213	1.8137	1.8213	1.8137	1.8213	1.8137
GBP/NZD	1.8984	1.8996	1.8942	1.9215	1.9090	1.9215	1.9090	1.9621	1.9483
AUD/HKD	6.0058	0.1666	0.1662	6.0523	5.9879	6.0628	5.9970	6.0628	5.9970
GBP/HKD	10.6463	10.6596	10.6365	10.6609	10.5934	10.6609	10.5934	10.6609	10.5934
USD/CAD	1.2703	1.2704	1.2685	1.2799	1.2726	1.2876	1.2814	1.3390	1.3301
CAD/MYR	3.1818	3.1882	3.1808	3.2037	3.1922	3.2037	3.1922	3.2037	3.1922
GBP/AUD	1.7725	1.7735	1.7709	1.7769	1.7704	1.7855	1.7757	1.8494	1.8343
USD/SGD	1.3249	1.3250	1.3238	1.3336	1.3295	1.3336	1.3295	1.3713	1.3647
EUR/SGD	1.6112	1.6117	1.6098	1.6183	1.6130	1.6306	1.6233	1.6345	1.6266
XAU/MYR	7464.3398	7491.4482	7457.8940	7571.6469	7491.0268	7856.1108	7760.1220	8129.0200	8015.3481
XAU/USD	1847.3100	1851.4399	1844.9650	1875.2000	1858.4200	1959.3500	1934.4300	1965.5900	1935.7000
XAU/GBP	1345.0600	1347.4312	1342.6406	1371.1300	1355.6600	1438.2400	1425.0000	1493.1700	1474.6700
XAU/AUD	2383.3000	2388.6370	2379.0054	2419.0400	2395.5600	2538.1100	2508.2700	2699.1900	2671.6800
XAU/EUR	1518.9500	1522.1982	1516.9032	1546.5000	1529.4900	1591.5700	1578.0000	1652.4400	1635.5700
AUD/CAD	0.9842	0.9851	0.9816	0.9889	0.9832	0.9901	0.9845	0.9901	0.9845
AUD/JPY	80.3430	80.4380	79.9130	80.8550	80.2670	80.9280	80.2670	80.9280	80.2670
CAD/JPY	81.6250	81.6810	81.3975	82.2100	81.6340	82.2100	81.6340	82.2100	81.6340
NZD/JPY	75.0070	75.1180	74.7450	75.1240	74.7520	75.5790	74.9600	75.5790	74.9600
SGD/JPY	78.2591	78.2850	78.1455	78.5335	78.2650	78.5335	78.2650	78.5335	78.2650
AUD/CNY	5.0092	5.0120	4.9666	5.0343	5.0110	5.0633	5.0182	5.0633	5.0182
GBP/CNY	8.8765	8.8768	8.8128	8.8878	8.8454	8.9521	8.9259	8.9521	8.9259
NZD/CNY	4.6753	4.6821	4.6735	4.6873	4.6751	4.7358	4.6889	4.7358	4.6889
MYR/CNY	1.5963	1.6007	1.5960	1.6055	1.6008	1.6327	1.6178	1.6327	1.6178

Updated as of 27 January 2021 9:18:42 AM

* Night Desk Session from 5pm – 5am Hong Kong Time.

Source: Bloomberg

Key Currency Performance against MYR

	Current level vs MYR	1-week Performance	3-month Performance	6-month Performance
NZD	2.9300	1.04%	6.31%	4.29%
CAD	3.1900	-0.39%	2.26%	0.94%
GBP	5.5600	0.72%	3.54%	0.29%
SGD	3.0500	0.09%	0.53%	-0.87%
AUD	3.1300	0.06%	7.34%	3.55%
CNY	0.6300	0.12%	1.18%	3.03%
THB	13.5100	0.20%	1.55%	-0.31%
CHF	4.5600	0.45%	0.57%	-1.67%
EUR	4.9200	0.55%	1.48%	-1.39%
JPY	3.9052	0.03%	-1.63%	-2.41%
USD	4.0470	0.10%	-2.58%	-4.48%

*source : REUTERS closing bid price, as at 26-Jan-2021

Daily FX Focus

27/1/2021

Central Bank Rate

	Current (%)	Prior (%)	Next Meeting		Current (%)	Prior (%)	Next Meeting
FED Fund	0.25	0.25	28-Jan-21	Canada (BOC)	0.25	0.25	10-Mar-21
Europe (ECB)		0.00	11-Mar-21	Japan (BOJ)		-0.1	19-Mar-21
UK (BOE)	0.75	0.10	4-Feb-21	Malaysia	1.75		
Australia (RBA)	0.10	0.10	2-Feb-21	Taiwan	1.125	1.125	
New Zealand (RBNZ)	0.25	0.25	24-Feb-21	Indonesia		3.75	

Please take note that the primary sources of all the charts are from Reuters dated 27/01/2021 before 10.30 am

The information in this document has been obtained from reports (relevant reports) issued or compiled by various entities within the HSBC Group (the "HSBC Group")

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.

*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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