

Daily FX Focus

5/11/2020

Important Risk Disclosure

- Investment involves risk. It is important to note that the capital value of investments and the income from them may go down as well as up and may become valueless and you may not get back the amount originally invested.
- Past performance contained in this document is not a reliable indicator of future performance.
- 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.

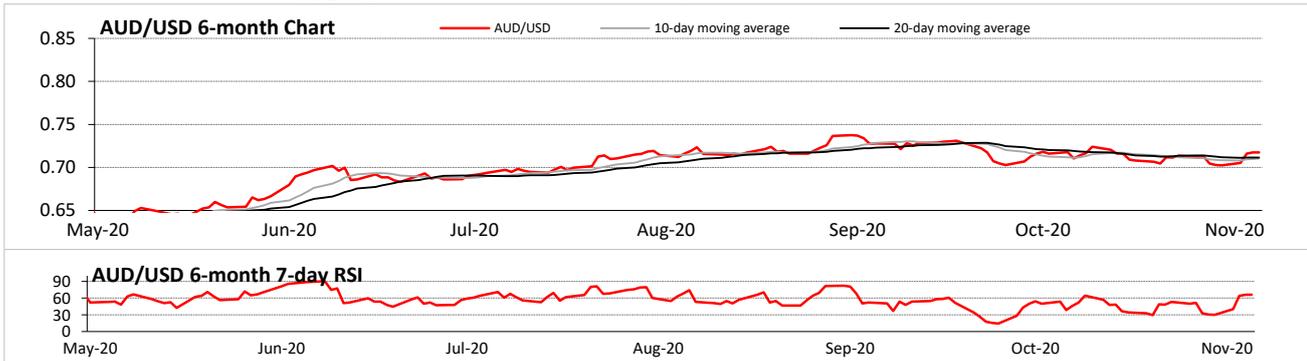
Currency	Current Trend	Support / Resistance	Market commentary
AUD	↗	vs USD 0.7035 / 0.7266	The preliminary voting result of the U.S. presidential election showed that it might be close. Investors once worried that the final result might be disputed. AUDUSD once dropped below the 0.71 handle during daytime, yet rebounded significantly by 1%
EUR	↘	vs USD 1.1589 / 1.1867	The U.S. Democratic Party candidate Biden did not have a very significant win as the market expected, and the USD once rebounded. EURUSD once reached its lowest in recent 3 months, yet rebounded 0.3% and broke above the 1.17 handle overnight; while EURHKD
GBP	↘	vs USD 1.2832 / 1.3157	The U.S. Democratic Party candidate Biden did not have a very significant win as the market expected, and the USD once rebounded. GBPUSD dropped below the 1.30 handle during daytime, yet rebounded 0.1% overnight; while GBPHKD dropped below the 10.1
NZD	↗	vs USD 0.6583 / 0.6774	The preliminary voting result of the U.S. presidential election showed that it might be close. Investors once worried that the final result might be disputed. NZDUSD rebounded 0.8% and once broke above the 0.67 handle overnight; while NZDHKD once broke above
CAD	↗	vs USD 1.3014 / 1.3326	The probability of U.S. President Trump getting reelected once increased, and this once brought support to the oil price. Meanwhile, as the USD gave up its gain overnight, USDCAD fell 0.6% and dropped below the 1.32 handle overnight; while CADHKD broke
JPY	↗	vs USD 103.75 / 105.48	The Governor of the Bank of Japan Haruhiko Kuroda said that the economic situation of Japan was still severe, and Japan will continue to maintain loose monetary policies if necessary. USDJPY fell 0.4% overnight; while JPYHKD continued to trade around the 7.4

* 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 base currency
- ↘ Down Trend, indicates that the currency has been moving lower against the base currency

AUD	↗	RBA cut benchmark interest rate by 15 bps in November. The preliminary voting result of the U.S. presidential election showed that it might be close. Investors once worried that the final result might be disputed. AUDUSD once dropped below the 0.71 handle during daytime, yet rebounded significantly by 1% overnight; while AUDHKD once dropped below the 5.5 level during daytime.
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Technical Analysis	vs USD	Market's Focus
05-Nov	0.7170	(-) Australia Q2 GDP fell 6.3% YoY, lower than an increase of 1.6% in previous quarter
Daily change:	-0.24%	(-) Australia September unemployment rate arrived at 6.9%, higher than 6.8% in previous month
High	0.7221	(+) Australia October Commodity Price Index arrived at -0.3%, dropped less than -5.2% in previous month
Low	0.6990	(+) Australia Q3 CPI rose 1.6% YoY, higher than a decrease of 1.9% in previous quarter
Support*	0.7035	
Resistance*	0.7266	



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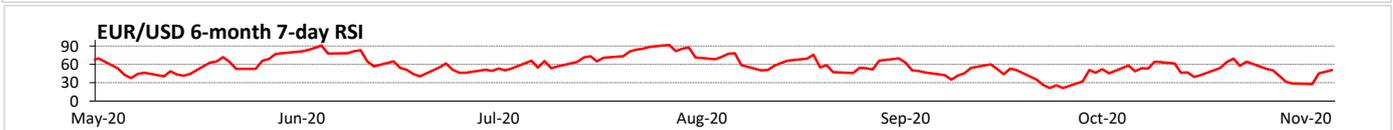
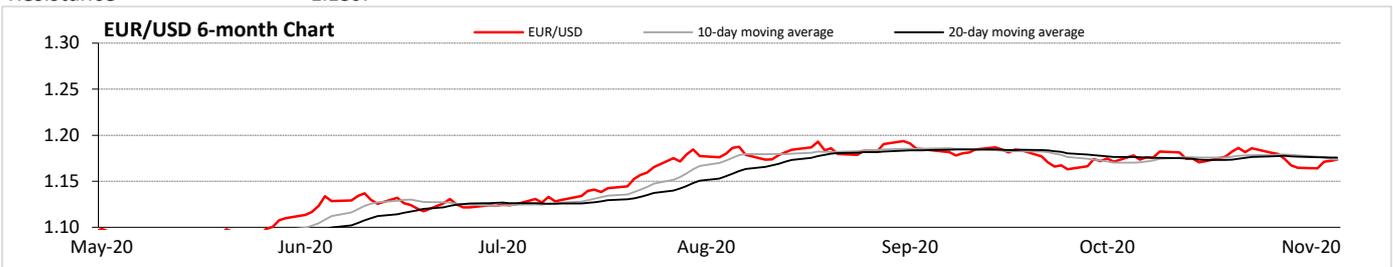
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EUR



ECB kept benchmark interest rate unchanged in October. The U.S. Democratic Party candidate Biden did not have a very significant win as the market expected, and the USD once rebounded. EURUSD once reached its lowest in recent 3 months, yet rebounded 0.3% and broke above the 1.17 handle overnight; while EURHKD once broke above the 9.1 level.

Tehcnical Analysis		vs USD	Market's Focus
05-Nov		1.1720	
Daily change:		-0.31%	(~) Eurozone October CPI fell 0.3% YoY, same as previous month
High		1.1880	(+) Germany October manufacturing PMI arrived at 58.2, higher than 56.4 in previous month
Low		1.1602	(-) Germany October Business Climate arrived at 92.7, lower than 93.2 in previous month
Support*		1.1589	
Resistance*		1.1867	

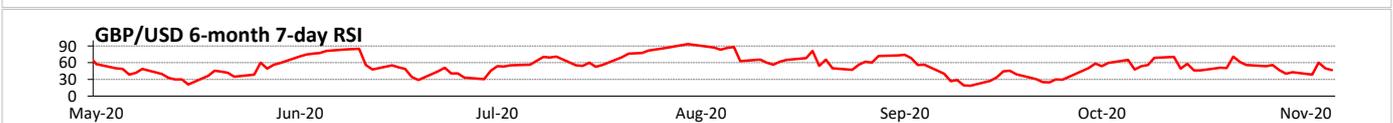
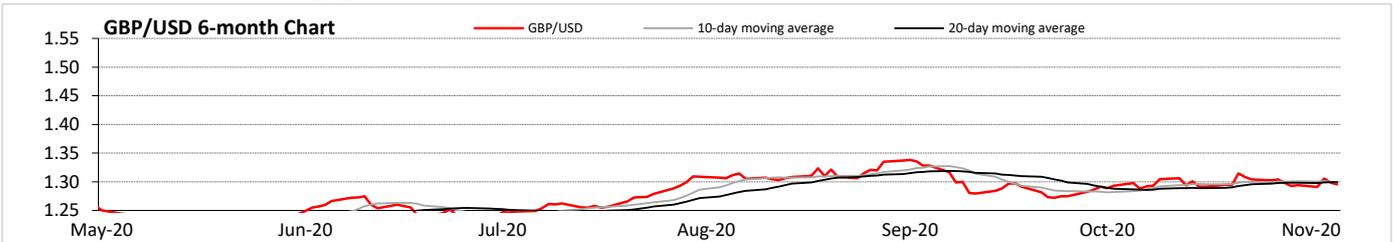


GBP



Bank of England kept benchmark interest rate unchanged in September. The U.S. Democratic Party candidate Biden did not have a very significant win as the market expected, and the USD once rebounded. GBPUSD dropped below the 1.30 handle during daytime, yet rebounded 0.1% overnight; while GBPHKD dropped below the 10.1 level during daytime.

Tehcnical Analysis		vs USD	Market's Focus
05-Nov		1.2990	
Daily change:		-0.96%	(+) UK September CPI rose 0.4% YoY, higher than a decrease of 0.4% in previous month
High		1.3177	(-) UK ILO August's 3Mths unemployment rate was at 4.5%, higher than 4.3% in previous month
Low		1.2852	(+) UK October Nationwide House Prices All Houses rose 5.8% YoY, higher than an increase of 5% in previous month
Support*		1.2832	
Resistance*		1.3157	

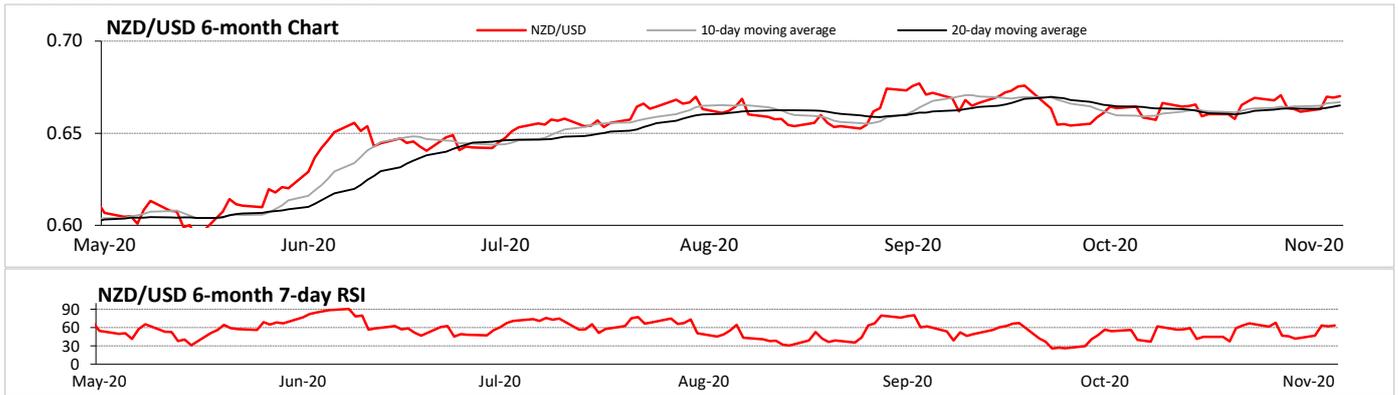


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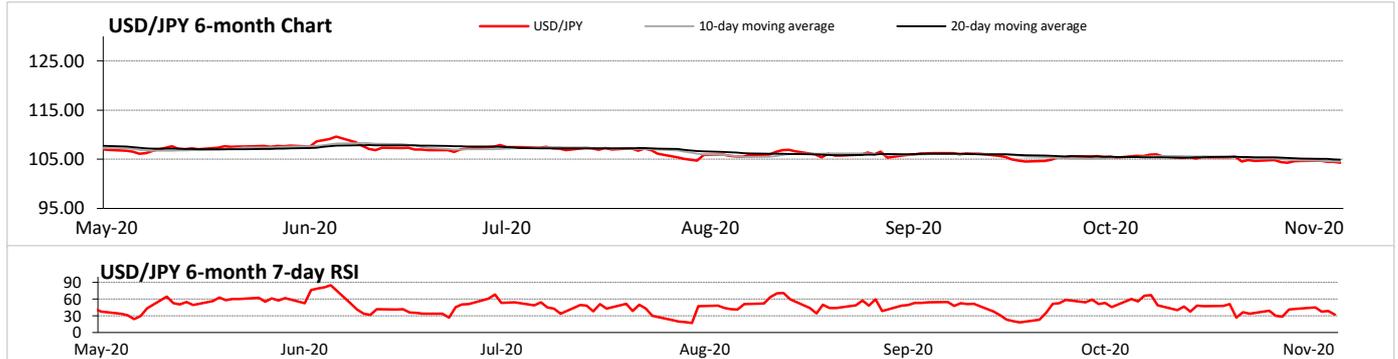
NZD	↑	<p>RBNZ kept benchmark interest rate unchanged in September. The preliminary voting result of the U.S. presidential election showed that it might be close. Investors once worried that the final result might be disputed. NZDUSD rebounded 0.8% and once broke above the 0.67 handle overnight; while NZDHKD once broke above the 5.2 level.</p>
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Tehcnical Analysis	vs USD	Market's Focus
05-Nov	0.6690	
Daily change:	-0.48%	(-) New Zealand Q2 GDP fell 12.4% YoY, dropped more than a decrease of 0.1% in previous quarter
High	0.6742	(-) New Zealand Q3 CPI rose 1.4% YoY, lower than an increase of 1.5% in previous quarter
Low	0.6551	(-) New Zealand Q3 unemployment rate arrived at 5.3%, higher than 4% in previous quarter
Support*	0.6583	(+) New Zealand October Commodity Price Index arrived at 1.9%, higher than -0.2% in previous month
Resistance*	0.6774	



JPY	↑	<p>Bank of Japan kept benchmark interest rate unchanged in October. The Governor of the Bank of Japan Haruhiko Kuroda said that the economic situation of Japan was still severe, and Japan will continue to maintain loose monetary policies if necessary. USDJPY fell 0.4% overnight; while JPYHKD continued to trade around the 7.4 level.</p>
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Tehcnical Analysis	vs USD	Market's Focus
05-Nov	104.48	
Daily change:	-0.46%	(-) Japan Q2 GDP fell 9.9% YoY, dropped more than a decrease of 1.8% in previous quarter
High	105.74	(-) Japan September CPI nationwide ex fresh food kept flat YoY, lower than an increase of 0.2% in previous month
Low	104.01	(+) Japan October manufacturing PMI arrived at 48.7, higher than 47.7 in previous month
Support*	103.75	(~) Japan September Industrial Production rose 4% MoM, same as previous month
Resistance*	105.48	

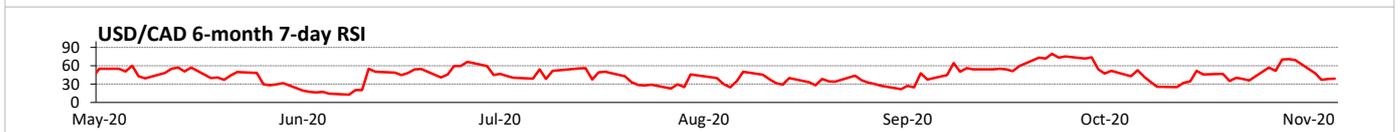
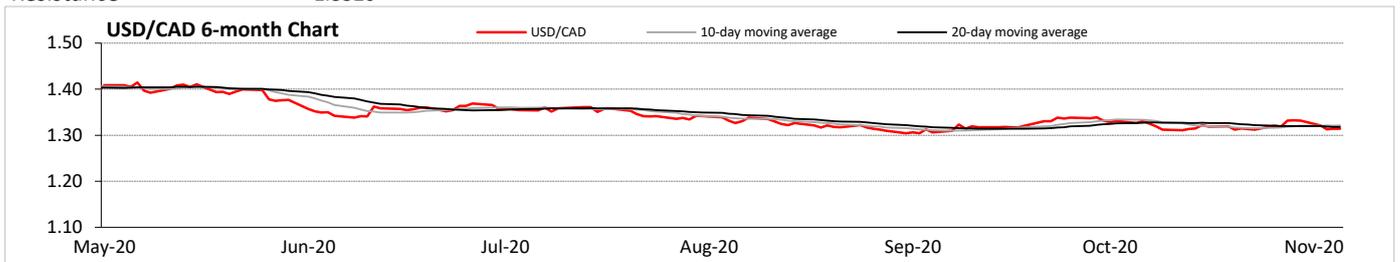


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CAD	↗	Bank of Canada kept benchmark interest rate unchanged in October. The probability of U.S. President Trump getting reelected once increased, and this once brought support to the oil price. Meanwhile, as the USD gave up its gain overnight, USDCAD fell 0.6% and dropped below the 1.32 handle overnight; while CADHKD broke above the 5.9 level.
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Tehcnical Analysis	vs USD	Market's Focus
05-Nov	1.3140	(+) Canada August GDP fell 3.8% YoY, dropped less than a decrease of 4.9% in previous month
Daily change:	-0.49%	(+) Canada September CPI rose 0.5% YoY, higher than an increase of 0.1% in previous month
High	1.3389	(+) Canada September unemployment rate arrived at 9%, lower than 10.2% in previous month
Low	1.3077	(-) Canada October Manufacturing PMI arrived at 55.5, lower than 56 in previous month
Support*	1.3014	
Resistance*	1.3326	



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Important Economic Data Release

Source: Bloomberg as of November 5, 2020

		Analysts	Previous	Actual	
United States					
2-Nov-20	Construction Spending MoM	Sep	1%	1.40%	0.30%
2-Nov-20	ISM Manufacturing*	Oct	55.8	55.4	59.3
2-Nov-20	ISM Prices Paid	Oct	60.5	62.8	65.5
3-Nov-20	Durable Goods Orders*	Oct	1.90%	1.90%	1.90%
3-Nov-20	Durables Ex Transportation	Oct	0.80%	0.80%	0.90%
3-Nov-20	Factory Orders*	Sep	1%	0.70%	1.10%
4-Nov-20	ADP Employment Change	Oct	650K	748.7K	364.6K
4-Nov-20	MBA Mortgage Applications*	Weekly		1.70%	3.80%
4-Nov-20	ISM Non-Manf. Composite	Oct	57.5	57.8	56.6
4-Nov-20	Trade Balance*	Sep	-63.9B	-67.102B	-63.862B
5-Nov-20	Initial Jobless Claims*	Weekly	735K	751K	-
5-Nov-20	Continuing Claims	Weekly	7350K	7756K	-
5-Nov-20	Nonfarm Productivity	Qtrly	5%	10.10%	-
6-Nov-20	Wholesale Inventories	Oct	-0.10%	-0.10%	-
6-Nov-20	Change in Nonfarm Payrolls*	Oct	600K	661K	-
6-Nov-20	Change in Manufact. Payrolls	Oct	53K	66K	-
6-Nov-20	Unemployment Rate*	Oct	7.70%	7.90%	-
7-Nov-20	Consumer Credit	Sep	8.25B	-7.22B	-
Regional					
2-Nov-20	Australia Building Approvals (MoM)	Oct	1.50%	15.40%	15.40%
2-Nov-20	Australia TD Securities Inflation	Nov		-0.10%	-0.10%
2-Nov-20	Australia AiG Performance of Mfg I	Nov		56.30%	56.30%
2-Nov-20	Hong Kong Retail Sales - Value (YoY)	Sep	-12.30%	-13.10%	-12.90%
3-Nov-20	Australia RBA Cash Target*		0.10%	0.25%	0.10%
4-Nov-20	New Zealand Employment Change (QoQ)	Qtrly	-0.70%	-0.30%	-0.80%
5-Nov-20	Australia Trade Balance*	Sep	3700M	2643M	-
6-Nov-20	Australia AiG Performance of Servi	Oct		36.2%	-
7-Nov-20	China Trade Balance (USD)*	Oct	46.2B	36.999B	-
7-Nov-20	China Exports YoY%	Oct	8.50%	9.90%	-
7-Nov-20	China Import YoY%	Oct	7.40%	13.20%	-
G7 Countries					
2-Nov-20	France PMI Manufacturing*	Nov	51	51	51.3
2-Nov-20	Germany PMI Manufacturing	Nov	58	58	58.2
2-Nov-20	Italy PMI Manufacturing	Oct	53.7	53.2	53.8
2-Nov-20	Japan Vehicle Sales (YoY)	Oct		-15.60%	31.60%
2-Nov-20	UK PMI Manufacturing	Nov	53.3	53.3	53.7
4-Nov-20	France PMI Services	Nov	46.5	46.5	46.5
4-Nov-20	Germany PMI Services	Nov	48.9	48.9	49.5
4-Nov-20	UK PMI Services	Nov	52.3	52.3	51.4
5-Nov-20	Germany Factory Orders MoM (sa)*	Sep	2%	4.50%	-
5-Nov-20	Germany Factory Orders MoM (nsa)	Sep	-1.20%	-2.20%	-
5-Nov-20	UK BOE Announces Rates*		0.10%	0.10%	-
6-Nov-20	Canada Ivey Purchasing Manager Inc	Oct		61.1%	-
6-Nov-20	Canada Net Change in Employment	Oct	75K	378.2K	-
6-Nov-20	Germany Industrial Production MoM	Sep	2.60%	-0.20%	-
6-Nov-20	Germany Industrial Prod. YoY (nsa)	Sep	-6.50%	-9.60%	-
6-Nov-20	Italy Retail Sales (YoY)	Sep	1.2	0.81%	-

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Central Bank Rate

	Current	Prior	Date		Current	Prior	Date
FED Fund	0.25	0.25	6-Nov-20	Canada (BOC)	0.25	0.25	9-Dec-20
Europe (ECB)	0.00	0.00	10-Dec-20	Japan (BOJ)	-0.10	-0.10	18-Dec-20
UK (BOE)	0.10	0.10	5-Nov-20	Malaysia	1.75	1.75	0-Jan-00
Australia (RBA)	0.10	0.25	1-Dec-20	Taiwan	1.13	1.13	0-Jan-00
New Zealand (RBNZ)	0.25	0.25	11-Nov-20	Indonesia	4.00	4.00	0-Jan-00

Please take note that the primary sources of all the charts are from Reuters dated 5 Nov 2020 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.

*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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