

Weekly FX Focus

9/11/2020

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 0.7067 / 0.7366	RBA cut interest rates to record lows and expanded its bond purchases program, expecting that interest rates will not rise in the next three years, while the AUD was supported by USD weakness. AUDUSD rose by 3.2% last week, and was once traded above the 0.72 mark; while AUDHKD was once traded above the 5.6 level last week.
EUR	↗	vs USD 1.1685 / 1.1977	The manufacturing sector in the Eurozone grew substantially in October, recovering from the server economic downturn from the epidemic, thus EUR was supported. EURUSD rose 2.2% last week, and once rose above the 1.18 mark; while EURHKD was trading above the 9.2 level.
GBP	↗	vs USD 1.2941 / 1.3282	BOE will expand the scale of stimulus by 150 billion pounds, exploring the feasibility of negative interest rates for the first time. GBPUSD rose 2% last week and once broke through the 1.31 mark; GBP HKD continued to trade above the 10.2 level last week.
NZD	↗	vs USD 0.6612 / 0.6872	As Biden was expected to win the U.S. election, the market expects that Biden will launch a larger stimulus plan. NZD was supported by USD weakness. NZDUSD was trading above 0.68, rising by 2.6% last week; while NZD HKD continued to trade below the 5.3 level last week.
RMB	↗	vs USD 6.5572 / 6.7040	As Biden is expected to win the U.S. election, the market generally believes that Biden will be much more predictable in its policy towards China than Trump, thus the CNH is supported. The USDCNH fell 1.5% last week, and once fell below the 6.60 level; while CNH HKD continued to trade below 1.17 last week.
CAD	↗	vs USD 1.2909 / 1.3295	Canada's October employment number exceeded expectations and the weaker USD supported CAD. The USDCAD fell 1.4% to the 1.30 mark; while CAD HKD fell below the 5.9 level.
JPY	↗	vs USD 102.41 / 104.99	BOJ said it would help maintain the stability of the exchange rate and pay close attention to the impact of the US election. USDJPY last week traded above the 103 mark; while JPY HKD was trading below the 7.5 level.
SGD	↗	vs USD 1.3381 / 1.3646	As investors expected Biden to launch a larger-scale stimulus plan after his election, USD weakened sharply and supported the Asian currencies. USDSGD fell 1.3% last week to below the 1.35 mark; while SGD HKD continued to trade above the 5.7 level.
MYR	↗	vs USD 4.1040 / 4.1600	Over the weekend, USD weakness continues to persist following Joe Biden's victory as an increasingly bearish picture starts unfolding for the USD on signs that the Federal Reserve's money printing capability may be deployed to bolster the U.S. economy in the aftermath of the election rather than government spending. As such, USDMYR started this week lower at 4.12 levels and the market remains rather bullish on the MYR despite an element of caution as local Covid cases are still on the rise each day and is now at the peak. The currency pair is expected to trade within the range of 4.10 – 4.14 for now with immediate support level at 4.10.

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

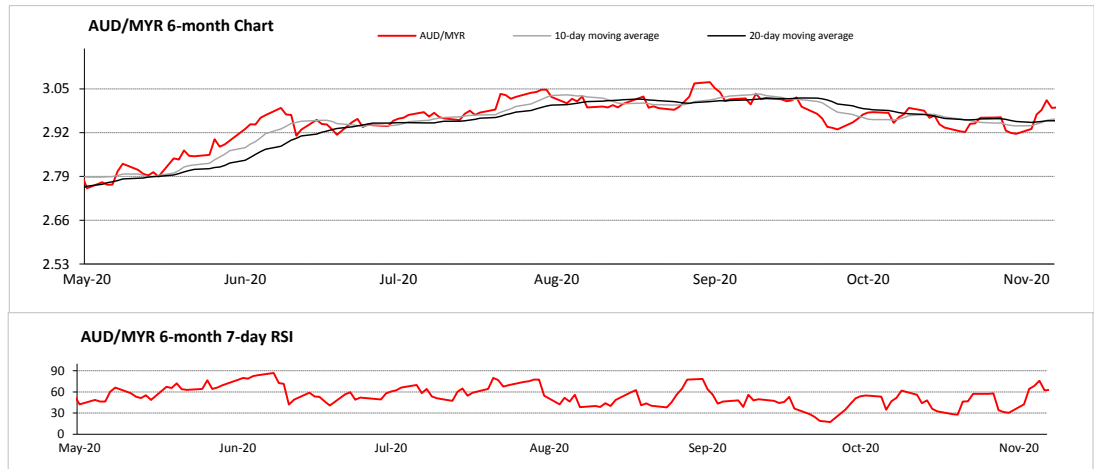


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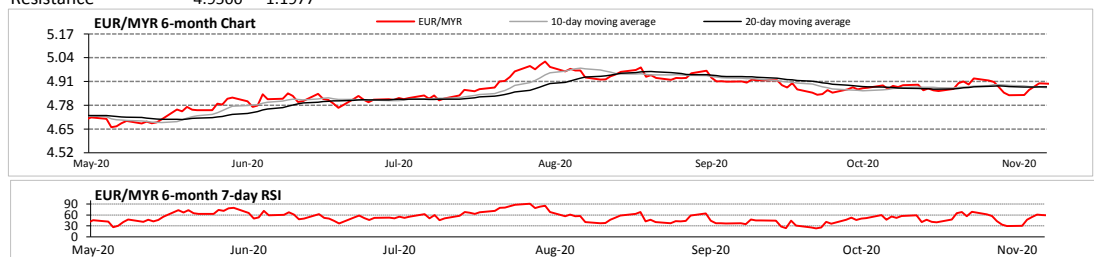
AUD	↗	RBA cut benchmark interest rate by 15 bps in November. RBA cut interest rates to record lows and expanded its bond purchases program, expecting that interest rates will not rise in the next three years, while the AUD was supported by USD weakness. AUDUSD rose by 3.2% last week, and was once traded above the 0.72 mark; while AUDHKD was once traded above the 5.6 level last week.
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Technical Analysis	vs MYR	vs USD	Market's Focus
09-Nov	2.9930	0.7260	
Weekly change:	2.64%	2.64%	(-) Australia Q2 GDP fell 6.3% YoY, lower than an increase of 1.6% in previous quarter
High	3.0198	0.7289	(-) Australia September unemployment rate arrived at 6.9%, higher than 6.8% in previous month
Low	2.9036	0.6990	(+) Australia October Commodity Price Index arrived at -0.3%, dropped less than -5.2% in previous month
Support*	2.9250	0.7067	(+) Australia Q3 CPI rose 1.6% YoY, higher than a decrease of 1.9% in previous quarter
Resistance*	3.0410	0.7366	



EUR	↗	ECB kept benchmark interest rate unchanged in October. The manufacturing sector in the Eurozone grew substantially in October, recovering from the server economic downturn from the epidemic, thus EUR was supported. EURUSD rose 2.2% last week, and once rose above the 1.18 mark; while EURHKD was trading above the 9.2 level.
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Technical Analysis	vs MYR	vs USD	Market's Focus
09-Nov	4.9010	1.1870	(~) Eurozone October CPI fell 0.3% YoY, same as previous month
Weekly change:	1.32%	1.32%	(+) Germany October manufacturing PMI arrived at 58.2, higher than 56.4 in previous month
High	4.9377	1.1894	(-) Germany October Business Climate arrived at 92.7, lower than 93.2 in previous month
Low	4.8264	1.1602	
Support*	4.8390	1.1685	
Resistance*	4.9500	1.1977	

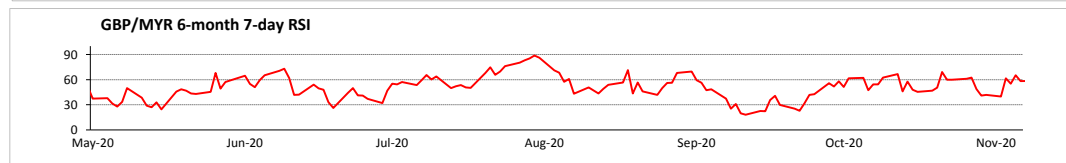
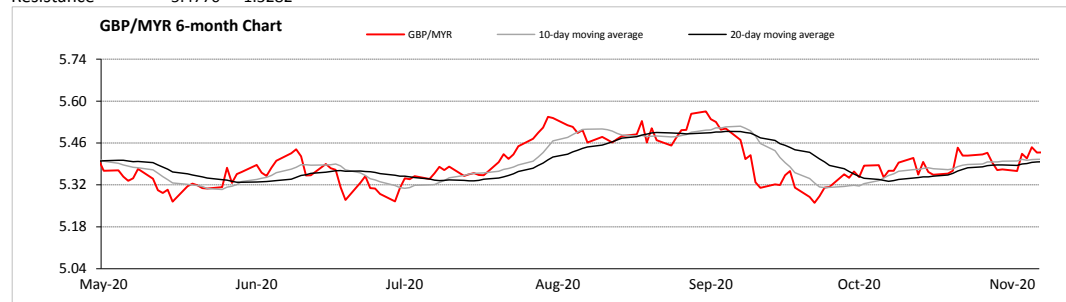


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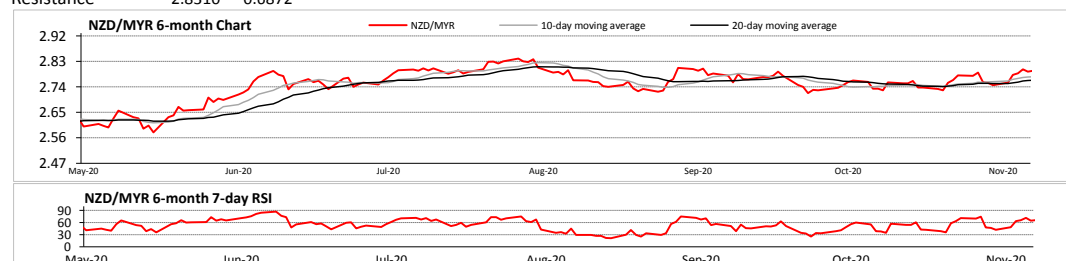
GBP	↗	Bank of England kept benchmark interest rate unchanged in November. BOE will expand the scale of stimulus by 150 billion pounds, exploring the feasibility of negative interest rates for the first time. GBPUSD rose 2% last week and once broke through the 1.31 mark; GBPHKD continued to trade above the 10.2 level last week.
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Technical Analysis	vs MYR	vs USD	Market's Focus
09-Nov	5.4310	1.3160	
Weekly change:	1.05%	1.05%	(+) UK September CPI rose 0.4% YoY, higher than a decrease of 0.4% in previous month
High	5.4566	1.3193	(-) UK ILO August's 3Mths unemployment rate was at 4.5%, higher than 4.3% in previous month
Low	5.3426	1.2852	(+) UK October Nationwide House Prices All Houses rose 5.8% YoY, higher than an increase of 5% in previous month
Support*	5.3630	1.2941	
Resistance*	5.4770	1.3282	



NZD	↗	RBNZ kept benchmark interest rate unchanged in September. As Biden was expected to win the U.S. election, the market expects that Biden will launch a larger stimulus plan. NZD was supported by USD weakness. NZDUSD was trading above 0.68, rising by 2.6% last week; while NZDHKD continued to trade below the 5.3 level last week.
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Technical Analysis	vs MYR	vs USD	Market's Focus
09-Nov	2.7940	0.6770	(-) New Zealand Q2 GDP fell 12.4% YoY, dropped more than a decrease of 0.1% in previous quarter
Weekly change:	1.74%	1.74%	(-) New Zealand Q3 CPI rose 1.4% YoY, lower than an increase of 1.5% in previous quarter
High	2.8116	0.6811	(-) New Zealand Q3 unemployment rate arrived at 5.3%, higher than 4% in previous quarter
Low	2.7174	0.6551	(+) New Zealand October Commodity Price Index arrived at 1.9%, higher than -0.2% in previous month
Support*	2.7370	0.6612	
Resistance*	2.8310	0.6872	



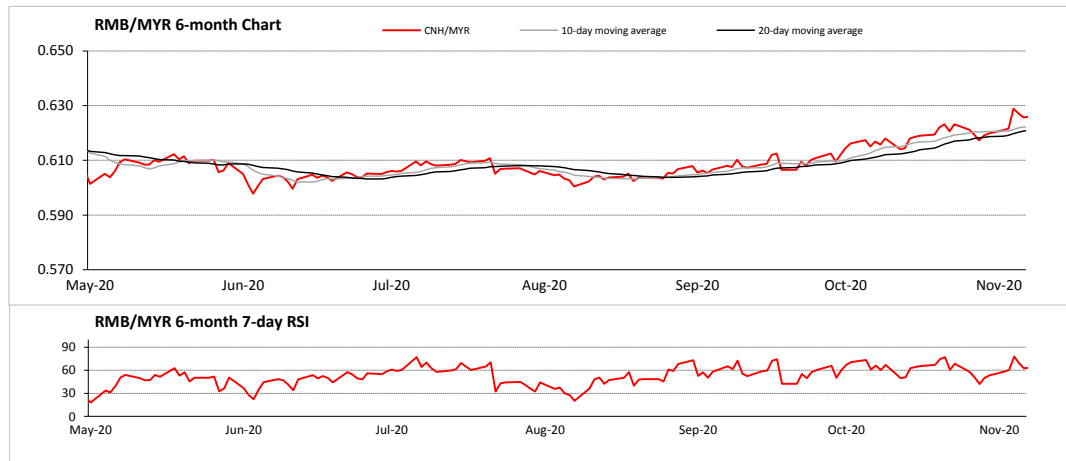


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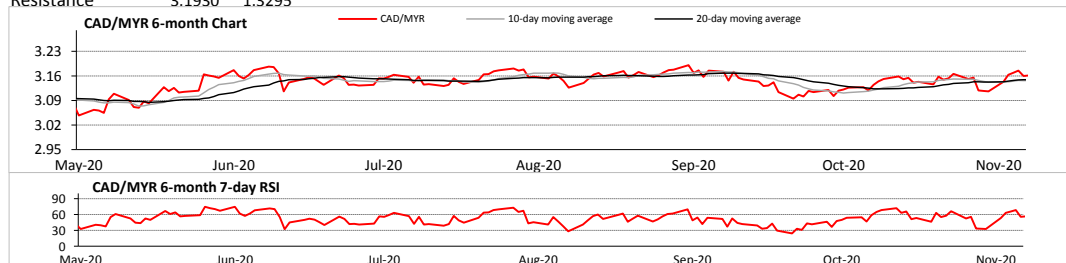
RMB	↗	As Biden is expected to win the U.S. election, the market generally believes that Biden will be much more predictable in its policy towards China than Trump, thus the CNH is supported. The USDCNH fell 1.5% last week, and once fell below the 6.60 level; while CNH HKD continued to trade below 1.17 last week.
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Technical Analysis	vs MYR	vs USD	Market's Focus
09-Nov	0.6260	6.6080	
Weekly change:	0.94%	0.94%	(+) China Q3 GDP rose 4.9% YoY, higher than an increase of 3.2% in previous quarter
High	0.6291	6.7491	(-) China September CPI rose 1.7% YoY, lower than an increase of 2.4% in previous month
Low	0.6154	6.6023	(+) China October Caixin manufacturing PMI arrived at 53.6, higher than 53 in previous month
Support*	0.6180	6.5572	(+) China September industrial production rose 6.9% YoY, higher than an increase of 5.6% in previous month
Resistance*	0.6310	6.7040	



CAD	↗	Bank of Canada kept benchmark interest rate unchanged in October. Canada's October employment number exceeded expectations and the weaker USD supported CAD. The USDCAD fell 1.4% to the 1.30 mark; while CAD HKD fell below the 5.9 level.
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Technical Analysis	vs MYR	vs USD	Market's Focus
09-Nov	3.1600	1.3060	(+) Canada August GDP fell 3.8% YoY, dropped less than a decrease of 4.9% in previous month
Weekly change:	1.39%	1.39%	(+) Canada September CPI rose 0.5% YoY, higher than an increase of 0.1% in previous month
High	3.1801	1.3389	(+) Canada October unemployment rate arrived at 8.9%, lower than 9% in previous month
Low	3.1016	1.3003	(-) Canada October Manufacturing PMI arrived at 55.5, lower than 56 in previous month
Support*	3.1150	1.2909	
Resistance*	3.1930	1.3295	





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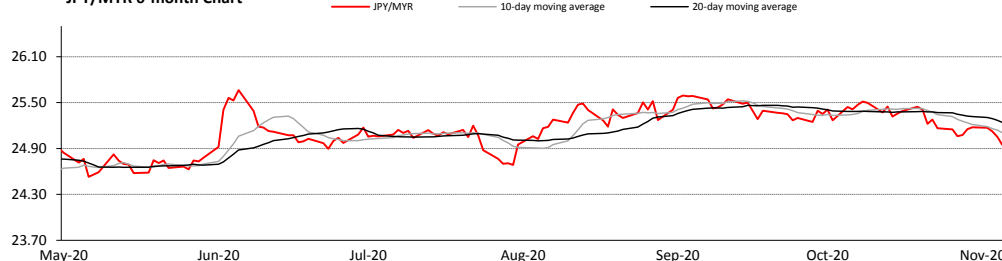
JPY



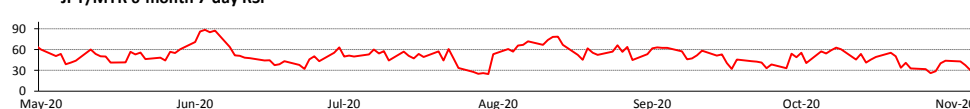
Bank of Japan kept benchmark interest rate unchanged in October. BOJ said it would help maintain the stability of the exchange rate and pay close attention to the impact of the US election. USDJPY last week traded above the 103 mark; while JPYHKD was trading below the 7.5 level.

Technical Analysis:	vs MYR	vs USD	Market's Focus
09-Nov	25.0110	103.33	
Weekly change:	-0.65%	-0.65%	(-) Japan Q2 GDP fell 9.9% YoY, dropped more than a decrease of 1.8% in previous quarter
High	25.4765	105.74	(-) Japan September CPI nationwide ex fresh food kept flat YoY, lower than an increase of 0.2% in previous month
Low	24.9252	103.16	(+) Japan October manufacturing PMI arrived at 48.7, higher than 47.7 in previous month
Support*	24.7990	102.41	(~) Japan September Industrial Production rose 4% MoM, same as previous month
Resistance*	25.3500	104.99	

JPY/MYR 6-month Chart



JPY/MYR 6-month 7-day RSI



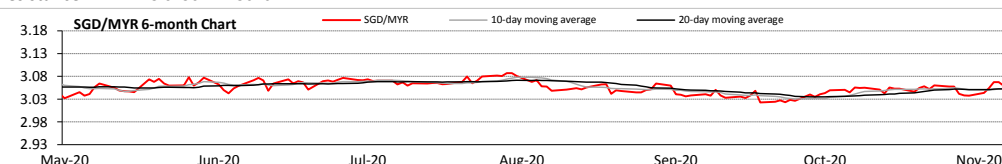
SGD



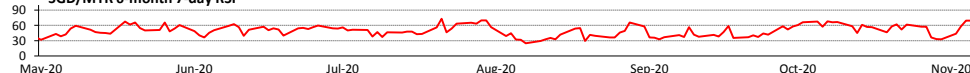
As investors expected Biden to launch a larger-scale stimulus plan after his election, USD weakened sharply and supported the Asian currencies. USDSGD fell 1.3% last week to below the 1.35 mark; while SGDHKD continued to trade above the 5.7 level.

Technical Analysis:	vs MYR	vs USD	Market's Focus
09-Nov	3.0590	1.3480	(+) Singapore September CPI kept flat YoY, higher than a decrease of 0.4% in previous month
Weekly change:	0.70%	0.70%	(-) Singapore Q3 unemployment rate arrived at 3.6%, higher than 2.8% in previous quarter
High	3.0707	1.3712	(-) Singapore September Non Oil Domestic Exports rose 5.9% YoY, lower than an increase of 7.7% in previous month
Low	3.0343	1.3447	
Support*	3.0390	1.3381	
Resistance*	3.0750	1.3646	

SGD/MYR 6-month Chart



SGD/MYR 6-month 7-day RSI



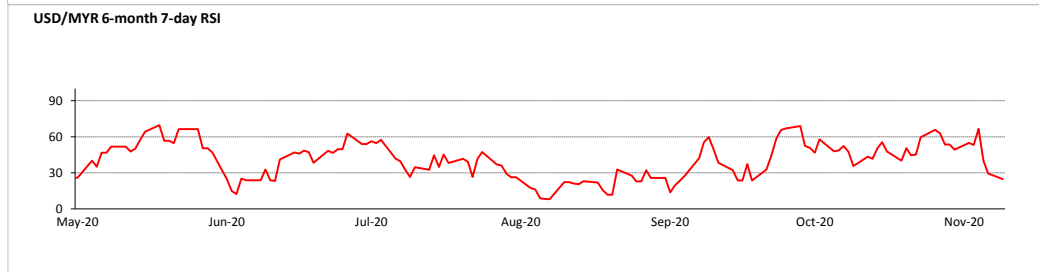
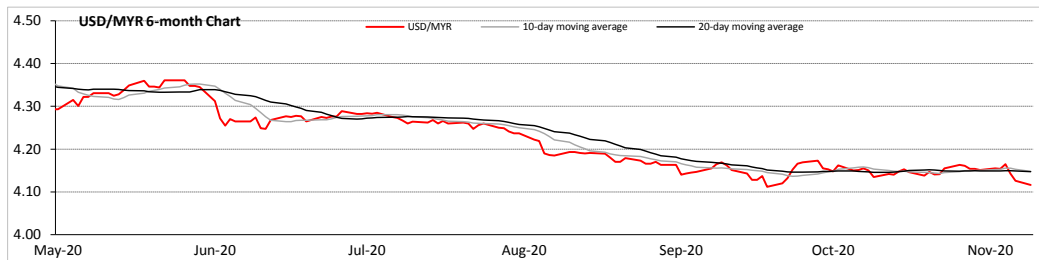


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MYR	↗	Over the weekend, USD weakness continues to persist following Joe Biden's victory as an increasingly bearish picture starts unfolding for the USD on signs that the Federal Reserve's money printing capability may be deployed to bolster the U.S. economy in the aftermath of the election rather than government spending. As such, USDMYR started this week lower at 4.12 levels and the market remains rather bullish on the MYR despite an element of caution as local Covid cases are still on the rise each day and is now at the peak. The currency pair is expected to trade within the range of 4.10 – 4.14 for now with immediate support level at 4.10.
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Tehnical Analysis	vs USD	Market's Focus
09-Nov	4.1260	Nil
Weekly change:	-0.60%	
High	4.1720	
Low	4.1160	
Support*	4.1040	
Resistance*	4.1600	





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Important Economic Data Release

Source: Bloomberg as of November 9, 2020

		Analysts		
		Consensus	Previous	Actual
United States				
11-Nov-20	MBA Mortgage Applications*	Weekly	3.80%	-
12-Nov-20	Consumer Price Index (MoM)*	Oct	0.20%	-
12-Nov-20	CPI Ex Food & Energy (MoM)	Oct	0.20%	-
12-Nov-20	Initial Jobless Claims*	Weekly	730K	751K
12-Nov-20	Continuing Claims	Weekly	6750K	7285K
13-Nov-20	U. of Michigan Confidence*	Nov	81.8	81.8
13-Nov-20	Monthly Budget Statement	Oct	-274B	-124.611B
13-Nov-20	Producer Price Index (MoM)*	Oct		0.20%
13-Nov-20	Producer Price Index (MoM)*	Oct		0.20%
13-Nov-20	PPI Ex Food & Energy (MoM)	Oct	0.2	0.4
Regional				
10-Nov-20	China Consumer Price Index*	Oct	0.80%	1.70%
10-Nov-20	China Producer Price Index (YoY)*	Oct	-1.90%	-2.10%
10-Nov-20	China Money Supply - M2 (yoY)*	Oct	10.90%	10.90%
10-Nov-20	China Purchasing Price Index (YoY)	Oct		-2.30%
10-Nov-20	New Zealand REINZ House Sales YoY%	Oct		37.10%
11-Nov-20	Australia Westpac Consumer Confidence	Nov		11.90%
11-Nov-20	New Zealand Official Cash Rate		0.25	0.25
13-Nov-20	New Zealand Business NZ PMI	Oct		54
13-Nov-20	Hong Kong GDP (YoY)	Qtrly	-3.40%	-3.40%
13-Nov-20	Hong Kong GDP (QoQ)	Qtrly	3%	3%
G7 Countries				
10-Nov-20	France Industrial Production*	Sep	0.70%	1.30%
10-Nov-20	France Industrial Production (YoY)	Sep	-5.70%	-6.20%
10-Nov-20	Germany Germany ZEW Survey (Econ. Sentiment)	Nov	44	56.1
10-Nov-20	Germany ZEW Survey (Current Situation)*	Nov	-65	-59.5
10-Nov-20	Italy Industrial Production wda (YoY)	Sep	-1.80%	-0.30%
10-Nov-20	Japan Current Account Total *	Sep	2025B	2102.8B
10-Nov-20	Japan Bank Lending (YoY)	Oct		6.40%
10-Nov-20	Japan Trade Balance - BOP Basis	Sep	802.7B	413.2B
10-Nov-20	UK Jobless Claims Change*	Oct		28.1K
10-Nov-20	UK Claimant Count Rate*	Oct		7.60%
10-Nov-20	UK ILO Unemployment Rate (3mths)	Sep	4.80%	4.50%
11-Nov-20	Japan Japan Money Stock M2 YoY	Oct	9.10%	9%
12-Nov-20	Germany Consumr Price Index (MoM)	Nov	0.10%	0.10%
12-Nov-20	Germany Consumr Price Index (YoY)	Nov	-0.20%	-0.20%
12-Nov-20	Germany CPI - EU Harmonised (YoY)	Nov	-0.50%	-0.50%
12-Nov-20	Germany CPI - EU Harmonised (MoM)	Nov	0%	0%
12-Nov-20	Japan Machine Orders (MoM)*	Sep	-1%	0.20%
12-Nov-20	Japan Tertiary Industry Index (MoM)*	Sep	1.20%	0.80%
12-Nov-20	Japan Domestic CGPI (YoY)*	Oct	-2%	-0.80%
12-Nov-20	Japan Machine Orders YoY%	Sep	-12%	-15.20%
12-Nov-20	UK GDP (QoQ)*	Qtrly	15.70%	-19.80%
12-Nov-20	UK GDP (YoY)*	Qtrly	-9.50%	-21.50%
12-Nov-20	UK Industrial Production (MoM)*	Sep	0.90%	0.30%
12-Nov-20	UK Industrial Production (YoY)	Sep	-6.10%	-6.40%
12-Nov-20	UK RICS House Price Balance	Oct	54%	61.40%
13-Nov-20	France Consumer Price Index (YoY)	Nov	0%	0%
13-Nov-20	France CPI - EU Harmonised (YoY)	Nov	0%	0%



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Currency Market Movements Table

	1	Current	Night Desk		2 Weeks		1 Month		3 Months	
			High	Low	High	Low	High	Low	High	Low
AUD/MYR		2.9975	3.0086	2.9956	3.0133	3.0002	3.0133	3.0002	3.0758	3.0573
EUR/MYR		4.8982	4.9099	4.8909	4.9337	4.9204	4.9337	4.9204	4.9966	4.9835
GBP/MYR		5.4293	5.4407	5.4193	5.4633	5.4258	5.4633	5.4314	5.5702	5.5527
MYR/JPY		25.0210	25.0333	24.8797	25.2570	25.1660	25.5610	25.4770	25.6990	25.5940
NZD/MYR		2.7995	2.8078	2.7953	2.8131	2.7977	2.8131	2.7977	2.8162	2.8001
SGD/MYR		3.0590	3.0653	3.0546	3.0710	3.0611	3.0710	3.0611	3.0710	3.0615
USD/MYR		4.1200	4.1200	4.1150	4.1745	4.1615	4.1745	4.1615	4.2065	4.1920
AUD/USD		0.7275	0.7289	0.7271	0.7289	0.7203	0.7289	0.7205	0.7414	0.7354
EUR/USD		1.1889	1.1895	1.1879	1.1891	1.1803	1.1891	1.1825	1.2011	1.1919
GBP/USD		1.3177	1.3182	1.3145	1.3177	1.3055	1.3177	1.3055	1.3482	1.3326
NZD/USD		0.6795	0.6801	0.6756	0.6802	0.6721	0.6802	0.6721	0.6802	0.6738
USD/JPY		103.2700	103.3920	103.1860	105.3400	104.6600	106.1000	105.8500	107.0500	106.5700
AUD/GBP		0.5521	0.5532	0.5520	0.5555	0.5514	0.5568	0.5535	0.5716	0.5658
AUD/NZD		1.0706	1.0723	1.0704	1.0767	1.0695	1.0898	1.0849	1.1044	1.0983
AUD/SGD		0.9798	0.9818	0.9793	0.9840	0.9752	0.9840	0.9772	1.0062	1.0003
EUR/AUD		1.6339	1.6345	1.6313	1.6687	1.6565	1.6828	1.6717	1.6828	1.6717
EUR/NZD		1.7493	1.7515	1.7483	1.7743	1.7650	1.8022	1.7858	1.8224	1.8064
EUR/GBP		0.9021	0.9036	0.9020	0.9106	0.9049	0.9162	0.9070	0.9292	0.9215
GBP/SGD		1.7747	1.7753	1.7705	1.7834	1.7683	1.7834	1.7688	1.8303	1.8152
GBP/NZD		1.9390	1.9395	1.9361	1.9621	1.9483	1.9802	1.9639	2.0272	2.0019
AUD/HKD		5.6409	0.1773	0.1769	5.6526	5.5862	5.6526	5.5862	5.7457	5.6991
GBP/HKD		10.2170	10.2198	10.1918	10.2167	10.1232	10.2167	10.1232	10.4490	10.3274
USD/CAD		1.3023	1.3050	1.3019	1.3390	1.3301	1.3390	1.3301	1.3421	1.3368
CAD/MYR		3.1633	3.1704	3.1581	3.1748	3.1610	3.1748	3.1610	3.1953	3.1849
GBP/AUD		1.8110	1.8113	1.8057	1.8494	1.8343	1.8527	1.8413	1.8527	1.8413
USD/SGD		1.3467	1.3475	1.3463	1.3713	1.3647	1.3713	1.3647	1.3795	1.3732
EUR/SGD		1.6010	1.6022	1.6001	1.6111	1.6057	1.6111	1.6057	1.6317	1.6240
XAU/MYR		8054.8008	8084.7529	8048.6670	8102.3540	8015.3481	8102.3540	8015.3481	8602.9913	8458.0420
XAU/USD		1954.1000	1959.5901	1952.9600	1960.4400	1935.7000	1960.4400	1935.7000	2049.9800	2019.3700
XAU/GBP		1482.7700	1486.9131	1481.0430	1491.7200	1474.6700	1491.7200	1474.6700	1565.0700	1545.8200
XAU/AUD		2684.6600	2688.5176	2677.2485	2699.1900	2671.6800	2714.1900	2697.5300	2855.8000	2824.9100
XAU/EUR		1643.6000	1647.5100	1640.8414	1651.7600	1635.5700	1651.7600	1635.5700	1740.2300	1714.7200
AUD/CAD		0.9475	0.9494	0.9471	0.9516	0.9445	0.9516	0.9464	0.9668	0.9618
AUD/JPY		75.1390	75.3025	75.0090	75.4750	74.9040	76.5220	76.0150	78.4620	77.8810
CAD/JPY		79.2900	79.3350	79.0450	79.8790	79.5280	80.6360	80.2840	81.5840	81.1140
NZD/JPY		70.1740	70.2320	70.0000	70.4800	69.9190	70.5120	70.1090	71.9790	71.5720
SGD/JPY		76.6790	76.7055	76.2290	77.2160	76.9825	78.2237	77.9525	78.3955	77.9525
AUD/CNY		4.8025	4.8206	4.7876	4.8214	4.7895	4.8752	4.8374	5.0654	5.0316
GBP/CNY		8.6830	8.7182	8.6610	8.7675	8.7282	8.8237	8.7548	9.1931	9.1344
NZD/CNY		4.4905	4.4946	4.4827	4.5096	4.4786	4.5096	4.4786	4.6352	4.6070
MYR/CNY		1.6000	1.6042	1.5936	1.6199	1.6134	1.6359	1.6340	1.6627	1.6579

Updated as of 9 November 2020 8:45:52 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	2.7900	1.41%	1.33%	7.78%
CAD	3.1600	0.52%	0.25%	2.95%
GBP	5.4300	1.16%	-0.78%	2.56%
SGD	3.0600	0.50%	0.21%	0.39%
AUD	2.9900	2.13%	-0.04%	7.16%
CNY	0.6200	0.47%	3.40%	2.23%
THB	13.4700	0.89%	0.01%	-0.16%
CHF	4.5800	1.33%	0.16%	2.89%
EUR	4.9000	1.29%	-0.48%	4.64%
JPY	3.9911	0.61%	1.37%	-1.29%
USD	4.1260	-0.70%	-1.60%	-4.67%

*source : REUTERS closing bid price, as at 06-Nov-2020



Weekly FX Focus

9/11/2020

Central Bank Rate

	Current (%)	Prior (%)	Next Meeting		Current (%)	Prior (%)	Next Meeting
FED Fund	#N/A	1.25	29-Apr-20	Canada (BOC)	0.75	0.75	15-Apr-20
Europe (ECB)	0.00	0.00	30-Apr-20	Japan (BOJ)	-0.1	-0.1	28-Apr-20
UK (BOE)	0.75	0.10	26-Mar-20	Malaysia	2.5	2.5	
Australia (RBA)	0.25	0.50	5-May-20	Taiwan	1.125	1.375	
			12-May-20				
New Zealand (RBNZ)	0.25	1.00		Indonesia	4.5	4.75	

Please take note that the primary sources of all the charts are from Reuters dated 09/11/2020 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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