

# Daily FX Focus

25/1/2021

## 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 0.7642 / 0.7805	Investors looked forward to the large-scale fiscal stimulus measures that the U.S. will soon launch, which once led to an improved market sentiment last week. AUDUSD once rose 1% last week, yet gave up its gains for 0.6% last Friday; while AUDHKD dropped below the 6.0 handle last Friday.
EUR	→	vs USD 1.2032 / 1.2329	ECB President Lagarde said earlier that the continued pandemic might affect the economic outlook of the Eurozone. However, as the USD was weak, EURUSD rose 0.7% and broke above the 1.21 handle last week; while EURHKD broke above the 9.4 level.
GBP	↗	vs USD 1.3507 / 1.3804	As the U.K. launched its vaccination program, investors have been hoping that the U.K. economy will recover more quickly. GBPUSD once reached its highest in recent 2.5 years, rose 1.2% and broke above the 1.37 handle last week; while GBPHKD broke above the 10.6 level.
NZD	↗	vs USD 0.7081 / 0.7301	Investors looked forward to the large-scale fiscal stimulus measures that the U.S. will soon launch, which once led to an improved market sentiment last week. NZDUSD once rose 1.2% and broke above the 0.72 handle last week; while NZDHKD traded above the 5.5 level.
RMB	→	vs USD 6.4409 / 6.5085	China Q4 GDP released last week was better than the market expected. USDCNH once fell 0.5% and dropped below the 6.46 level last week; while CNHHKD once broke above the 1.20 level.
CAD	↗	vs USD 1.2600 / 1.2849	The Bank of Canada stated earlier that the arrival of vaccine will boost the economic outlook of Canada. USDCAD once reached its lowest in more than 2 years, fell 1.1% and dropped below the 1.26 level last week, yet rebounded 0.8% last Friday; while CADHKD dropped below the 6.1 level last Friday.
JPY	→	vs USD 102.76 / 104.58	The Governor of the Bank of Japan Haruhiko Kuroda said earlier that he remained optimistic about the economy. USDJPY once fell 0.5% last week; while JPYHKD once broke above the 7.5 level.
SGD	→	vs USD 1.3180 / 1.3360	Investors looked forward to the large-scale fiscal stimulus measures that the U.S. will soon launch, which once led to an improved market sentiment. USDSGD fell 0.1% last week; while SGDHKD traded above the 5.8 level.
MYR	→	vs USD 4.0050 / 4.0750	This morning, USDMYR opened the week higher around 4.04/05 levels following a modest USD rally on Friday's night on upbeat US economic data (flash US manufacturing PMI accelerated to a reading of 59.1 in the first half of this month, the highest since May 2007). We may see USDMYR to trade within 4.03 – 4.07 levels for today.

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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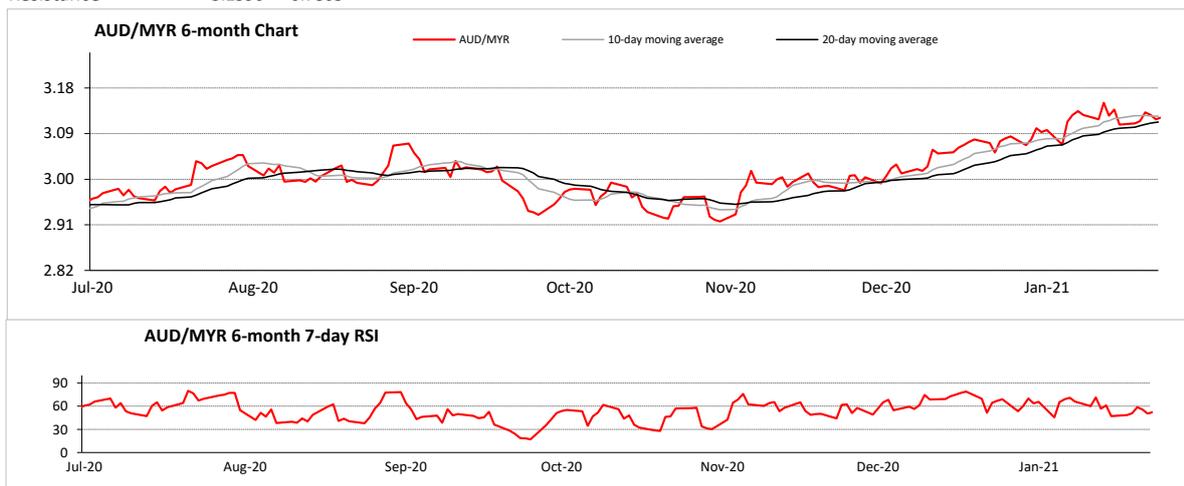
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AUD



RBA kept benchmark interest rate unchanged in December. Investors looked forward to the large-scale fiscal stimulus measures that the U.S. will soon launch, which once led to an improved market sentiment last week. AUDUSD once rose 1% last week, yet gave up its gains for 0.6% last Friday; while AUDHKD dropped below the 6.0 handle last Friday.

Tehcnical Analysis	vs MYR	vs USD	Market's Focus
25-Jan	3.1180	0.7720	
Daily change:	-0.27%	-0.27%	(+) Australia Q3 GDP fell 3.8% YoY, dropped less than a decrease of 6.4% in previous quarter
High	3.1540	0.7820	(+) Australia December unemployment rate arrived at 6.6%, lower than 6.8% in previous month
Low	3.0667	0.7657	(+) Australia December Commodity Price Index arrived at 11.7%, higher than 2.5% in previous month
Support*	3.0720	0.7642	(+) Australia Q3 CPI rose 1.6% YoY, higher than a decrease of 1.9% in previous quarter
Resistance*	3.1590	0.7805	

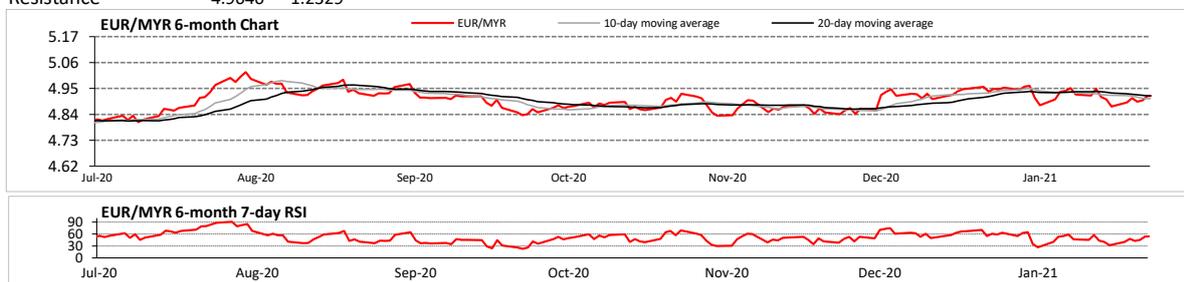


EUR



ECB kept benchmark interest rate unchanged in January. ECB President Lagarde said earlier that the continued pandemic might affect the economic outlook of the Eurozone. However, as the USD was weak, EURUSD rose 0.7% and broke above the 1.21 handle last week; while EURHKD broke above the 9.4 level.

Tehcnical Analysis	vs MYR	vs USD	Market's Focus
25-Jan	4.9170	1.2170	
Daily change:	0.38%	0.38%	(~) Eurozone December CPI fell 0.3% YoY, same as previous month
High	4.9620	1.2349	(+) Germany December manufacturing PMI arrived at 58.3, higher than 57.8 in previous month
Low	4.8674	1.2052	(+) Germany December Business Climate arrived at 92.1, higher than 90.9 in previous month
Support*	4.8690	1.2032	
Resistance*	4.9640	1.2329	

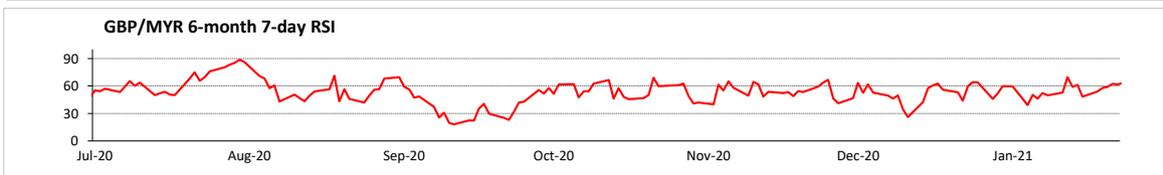
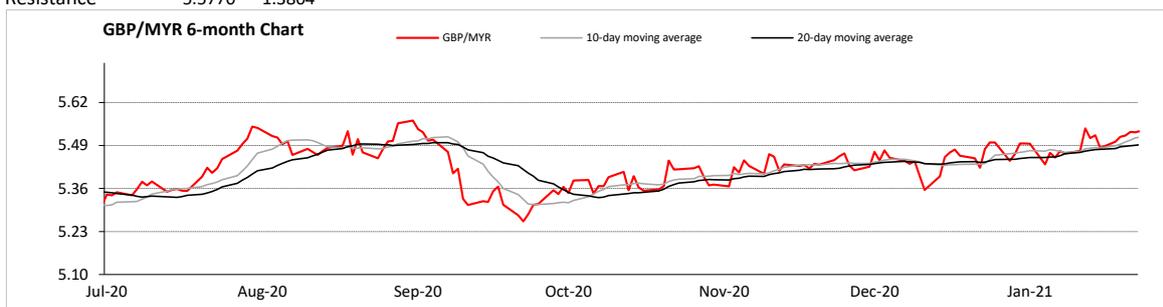


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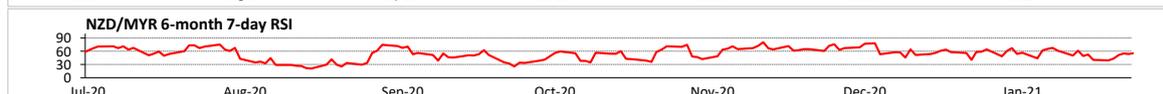
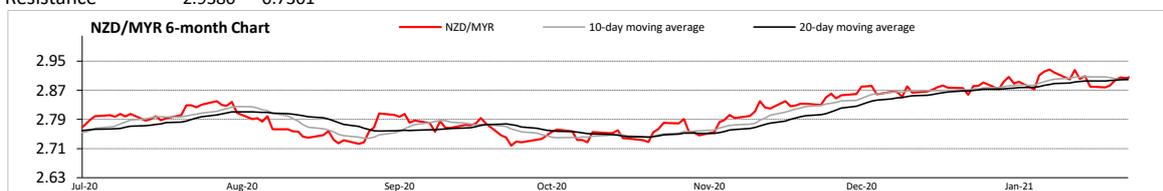
<b>GBP</b>	↗	Bank of England kept benchmark interest rate unchanged in November. As the U.K. launched its vaccination program, investors have been hoping that the U.K. economy will recover more quickly. GBPUSD once reached its highest in recent 2.5 years, rose 1.2% and broke above the 1.37 handle last week; while GBPHKD broke above the 10.6 level.
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Tehcnical Analysis	vs MYR	vs USD	Market's Focus
25-Jan	5.5280	1.3680	
Daily change:	-0.01%	-0.01%	(+) UK December CPI rose 0.3% YoY, higher than a decrease of 0.1% in previous month
High	5.5497	1.3746	(-) UK ILO October's 3Mths unemployment rate was at 4.9%, higher than 4.8% in previous month
Low	5.4256	1.3449	(+) UK December Nationwide House Prices All Houses rose 7.3% YoY, higher than an increase of 6.5% in previous month
Support*	5.4530	1.3507	
Resistance*	5.5770	1.3804	



<b>NZD</b>	↗	RBNZ kept benchmark interest rate unchanged in November. Investors looked forward to the large-scale fiscal stimulus measures that the U.S. will soon launch, which once led to an improved market sentiment last week. NZDUSD once rose 1.2% and broke above the 0.72 handle last week; while NZDHKD traded above the 5.5 level.
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Tehcnical Analysis	vs MYR	vs USD	Market's Focus
25-Jan	2.9030	0.7180	
Daily change:	-0.06%	-0.06%	(+) New Zealand Q3 GDP rose 0.4% YoY, higher than a decrease of 11.3% in previous quarter
High	2.9380	0.7314	(~) New Zealand Q4 CPI rose 1.4% YoY, same as previous quarter
Low	2.8689	0.7094	(-) New Zealand Q3 unemployment rate arrived at 5.3%, higher than 4% in previous quarter
Support*	2.8690	0.7081	(+) New Zealand December Commodity Price Index arrived at 1.8%, higher than 0.9% in previous month
Resistance*	2.9380	0.7301	

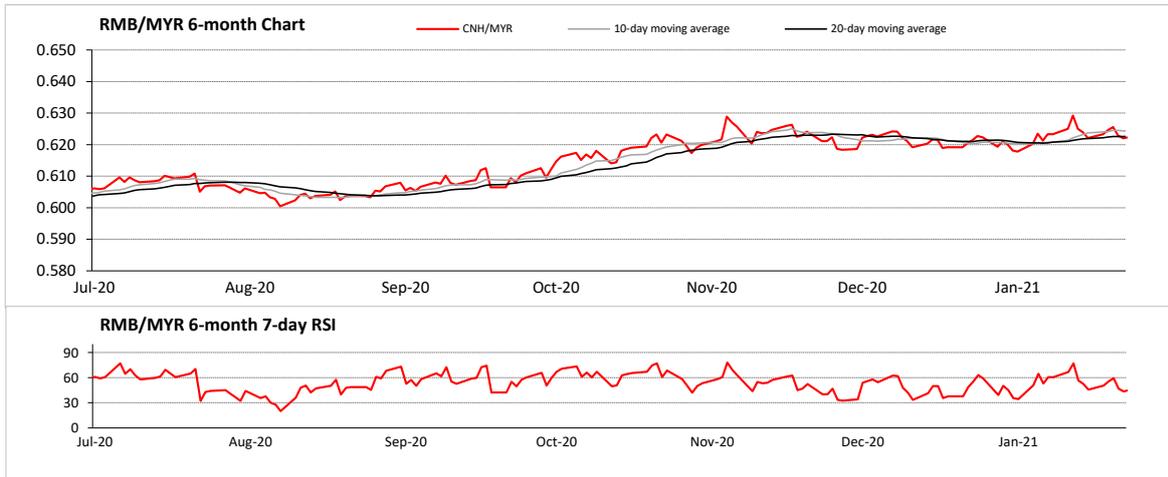


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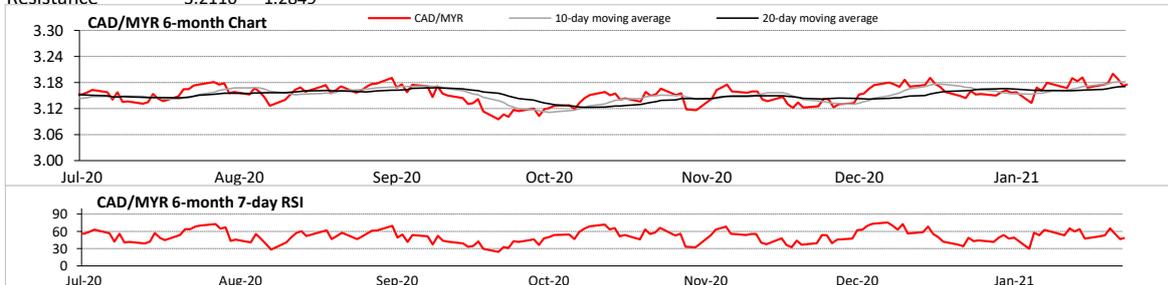
<b>RMB</b>	→	China Q4 GDP released last week was better than the market expected. USDCNH once fell 0.5% and dropped below the 6.46 level last week; while CNHHKD once broke above the 1.20 level.
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Technical Analysis	vs MYR	vs USD	Market's Focus
25-Jan	0.6220	6.4810	
Daily change:	-0.14%	-0.14%	(+) 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	0.6200	6.4284	(-) China December Caixin manufacturing PMI arrived at 53, lower than 54.9 in previous month
Support*	0.6180	6.4409	(+) China December industrial production rose 7.3% YoY, higher than an increase of 7% in previous month
Resistance*	0.6280	6.5085	



<b>CAD</b>	↗	Bank of Canada kept benchmark interest rate unchanged in January. The Bank of Canada stated earlier that the arrival of vaccine will boost the economic outlook of Canada. USDCAD once reached its lowest in more than 2 years, fell 1.1% and dropped below the 1.26 level last week, yet rebounded 0.8% last Friday; while CADHKD dropped below the 6.1 level last Friday.
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Technical Analysis	vs MYR	vs USD	Market's Focus
25-Jan	3.1750	1.2730	(+) Canada October GDP fell 3.5% YoY, dropped less than a decrease of 3.8% in previous month
Daily change:	-0.47%	-0.47%	(-) 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 8.6%, higher than 8.5% in previous month
Low	3.1296	1.2586	(+) Canada December Manufacturing PMI arrived at 57.9, higher than 55.8 in previous month
Support*	3.1340	1.2600	
Resistance*	3.2110	1.2849	

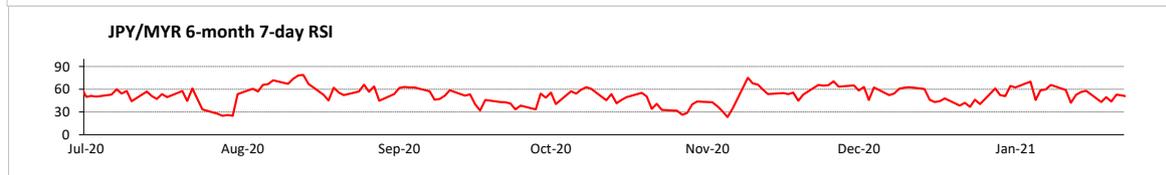
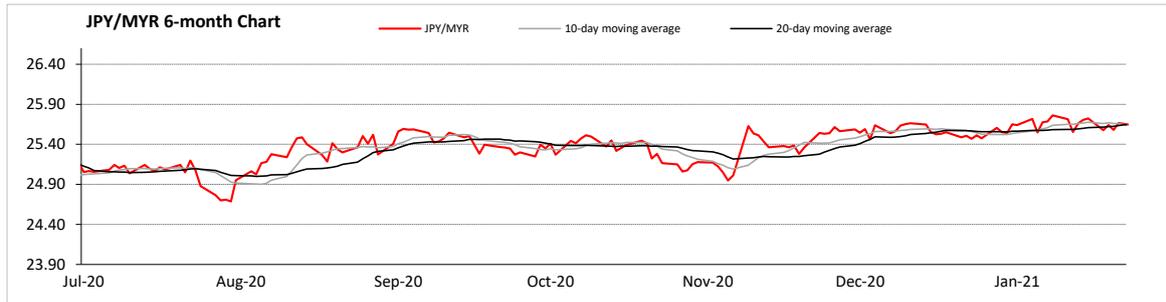


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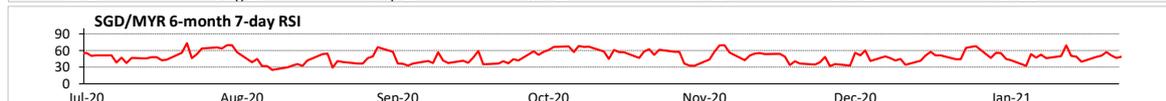
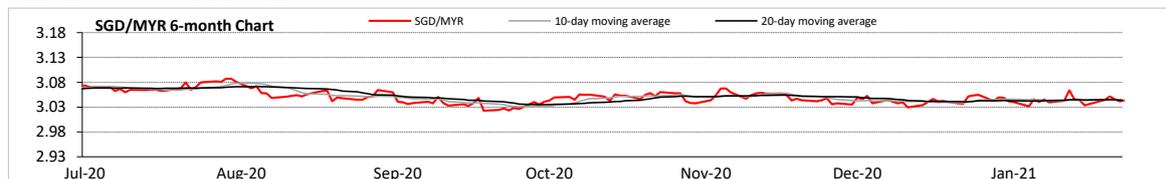
JPY	→	Bank of Japan kept benchmark interest rate unchanged in January. The Governor of the Bank of Japan Haruhiko Kuroda said earlier that he remained optimistic about the economy. USDJPY once fell 0.5% last week; while JPYHKD once broke above the 7.5 level.
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Technical Analysis	vs MYR	vs USD	Market's Focus
25-Jan	25.6620	103.77	
Daily change:	-0.04%	-0.04%	(+) 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	102.57	(-) Japan January manufacturing PMI arrived at 49.7, lower than 50 in previous month
Support*	25.5150	102.76	(*) Japan November Industrial Production fell 0.5% MoM, same as previous month
Resistance*	25.8060	104.58	



SGD	→	Investors looked forward to the large-scale fiscal stimulus measures that the U.S. will soon launch, which once led to an improved market sentiment. USDUSD fell 0.1% last week; while SGDUSD traded above the 5.8 level.
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Technical Analysis	vs MYR	vs USD	Market's Focus
25-Jan	3.0420	1.3280	(+) Singapore November CPI fell 0.1% YoY, dropped less than a decrease of 0.2% in previous month
Daily change:	-0.14%	-0.14%	(-) 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	1.3155	
Support*	3.0250	1.3180	
Resistance*	3.0620	1.3360	

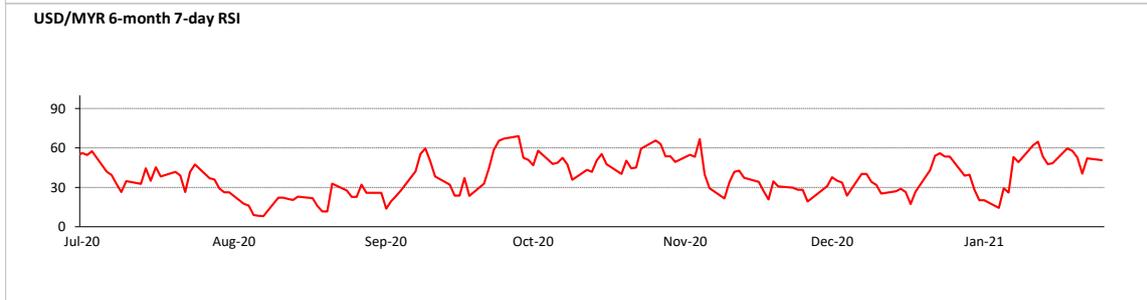
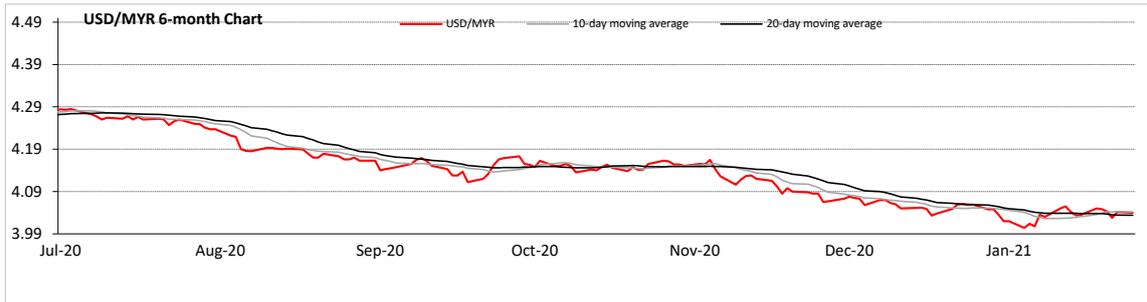


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MYR	→	<p>This morning, USDMYR opened the week higher around 4.04/05 levels following a modest USD rally on Friday's night on upbeat US economic data (flash US manufacturing PMI accelerated to a reading of 59.1 in the first half of this month, the highest since May 2007). We may see USDMYR to trade within 4.03 – 4.07 levels for today.</p>
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Tehchnical Analysis	vs USD	Market's Focus
25-Jan	4.0420	Nil
Daily change:	0.34%	
High	4.0720	
Low	4.0020	
Support*	4.0050	
Resistance*	4.0750	



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## Important Economic Data Release

Source: Bloomberg as of January 25, 2021

		Analysts			
		Consensus	Previous	Actual	
<b>United States</b>					
26-Jan-21	Consumer Confidence*	Jan	89	88.6	-
26-Jan-21	Richmond Fed Manufact. Index	Jan	17%	19%	-
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%	-
<b>Regional</b>					
26-Jan-21	Hong Kong Export YoY %	Dec	8.40%	5.60%	-
26-Jan-21	Hong Kong Import YoY %	Dec	8%	5.10%	-
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	-
<b>G7 Countries</b>					
25-Jan-21	Germany Germany IFO - Business Climate*	Jan	91.4	92.1	-
25-Jan-21	Germany IFO - Expectations*	Jan	93.6	92.8	-
25-Jan-21	Germany IFO - Current Assessment	Jan	90.6	91.3	-
26-Jan-21	UK Jobless Claims Change*	Dec		64.3K	-
26-Jan-21	UK Claimant Count Rate*	Dec		7.40%	-
26-Jan-21	UK ILO Unemployment Rate (3mths)	Nov	5.10%	4.90%	-
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	3.1296	3.1347	3.1172	3.1550	3.1329	3.1550	3.1329	3.1550	3.1329
EUR/MYR	4.9234	4.9302	4.9170	4.9537	4.9293	4.9671	4.9471	4.9740	4.9510
GBP/MYR	5.5439	5.5520	5.5286	5.5537	5.5315	5.5537	5.5315	5.5537	5.5315
MYR/JPY	25.6220	25.6566	25.6139	25.8220	25.7270	25.8220	25.7270	25.8220	25.7270
NZD/MYR	2.9150	2.9191	2.9005	2.9331	2.9113	2.9384	2.9219	2.9384	2.9219
SGD/MYR	3.0492	3.0533	3.0413	3.0668	3.0522	3.0668	3.0535	3.0710	3.0611
USD/MYR	4.0425	4.0475	4.0390	4.0760	4.0520	4.0760	4.0520	4.1745	4.1615
AUD/USD	0.7741	0.7747	0.7705	0.7805	0.7722	0.7820	0.7735	0.7820	0.7735
EUR/USD	1.2179	1.2183	1.2160	1.2230	1.2160	1.2349	1.2267	1.2349	1.2267
GBP/USD	1.3714	1.3722	1.3666	1.3746	1.3670	1.3746	1.3670	1.3746	1.3670
NZD/USD	0.7211	0.7215	0.7153	0.7244	0.7182	0.7315	0.7242	0.7315	0.7242
USD/JPY	103.7100	103.8850	103.6255	104.4000	104.0800	104.4000	104.0800	105.6800	105.1600
AUD/GBP	0.5644	0.5648	0.5628	0.5727	0.5699	0.5742	0.5699	0.5742	0.5699
AUD/NZD	1.0734	1.0750	1.0726	1.0843	1.0800	1.0843	1.0800	1.0843	1.0800
AUD/SGD	1.0261	1.0266	1.0208	1.0329	1.0246	1.0329	1.0246	1.0329	1.0246
EUR/AUD	1.5733	1.5783	1.5723	1.5832	1.5734	1.6154	1.6071	1.6687	1.6565
EUR/NZD	1.6888	1.6959	1.6882	1.7072	1.6973	1.7237	1.7155	1.7743	1.7650
EUR/GBP	0.8880	0.8895	0.8877	0.9037	0.9004	0.9093	0.9031	0.9230	0.9090
GBP/SGD	1.8180	1.8186	1.8112	1.8191	1.8145	1.8191	1.8145	1.8191	1.8145
GBP/NZD	1.9016	1.9070	1.9004	1.9215	1.9090	1.9215	1.9090	1.9621	1.9483
AUD/HKD	6.0004	0.1673	0.1665	6.0523	5.9879	6.0628	5.9970	6.0628	5.9970
GBP/HKD	10.6304	10.6371	10.5952	10.6556	10.5960	10.6556	10.5960	10.6556	10.5960
USD/CAD	1.2691	1.2734	1.2687	1.2835	1.2733	1.2880	1.2814	1.3390	1.3301
CAD/MYR	3.1851	3.1888	3.1753	3.2037	3.1922	3.2037	3.1922	3.2037	3.1922
GBP/AUD	1.7715	1.7742	1.7690	1.7754	1.7705	1.7921	1.7795	1.8494	1.8343
USD/SGD	1.3256	1.3282	1.3246	1.3336	1.3295	1.3336	1.3295	1.3713	1.3647
EUR/SGD	1.6145	1.6163	1.6100	1.6232	1.6159	1.6306	1.6233	1.6345	1.6266
XAU/MYR	7483.5078	7521.7998	7479.5186	7571.6469	7491.0268	7856.1108	7760.1220	8129.0200	8015.3481
XAU/USD	1851.1100	1859.8201	1850.3701	1875.2000	1858.4200	1959.3500	1934.4300	1965.5900	1935.7000
XAU/GBP	1349.7500	1358.6721	1349.2966	1374.0500	1355.6600	1438.2400	1425.0000	1493.1700	1474.6700
XAU/AUD	2390.1300	2407.2942	2389.4607	2419.0400	2395.5600	2538.1100	2508.2700	2699.1900	2671.6800
XAU/EUR	1519.8000	1528.3910	1519.2456	1546.5000	1529.4900	1591.5700	1578.0000	1652.4400	1635.5700
AUD/CAD	0.9824	0.9831	0.9786	0.9889	0.9832	0.9901	0.9845	0.9901	0.9845
AUD/JPY	80.2840	80.3400	79.9270	80.8550	80.2670	80.9280	80.2670	80.9280	80.2670
CAD/JPY	81.7140	81.7370	81.4477	82.2100	81.6340	82.2100	81.6340	82.2100	81.6340
NZD/JPY	74.7830	74.8140	74.2800	75.2500	74.7900	75.5790	74.9600	75.5790	74.9600
SGD/JPY	78.2280	78.2630	78.0177	78.5335	78.2650	78.5335	78.2650	78.5335	78.2650
AUD/CNY	5.0123	5.0159	4.9997	5.0343	5.0110	5.0633	5.0182	5.0633	5.0182
GBP/CNY	8.8799	8.8836	8.8678	8.8863	8.8698	8.9521	8.9259	8.9521	8.9259
NZD/CNY	4.6691	4.6709	4.6464	4.6873	4.6491	4.7358	4.6889	4.7358	4.6889
MYR/CNY	1.5998	1.6020	1.5990	1.6059	1.6008	1.6327	1.6178	1.6327	1.6178

Updated as of 25 January 2021 2:29:55 PM

\* 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	2.9000	0.89%	4.03%	2.68%
CAD	3.1700	-0.06%	0.54%	-0.18%
GBP	5.5300	0.52%	1.90%	0.35%
SGD	3.0400	-0.01%	-0.53%	-1.48%
AUD	3.1200	0.27%	5.14%	2.32%
CNY	0.6200	-0.03%	0.48%	2.93%
THB	13.4800	0.32%	1.15%	-0.09%
CHF	4.5600	0.40%	-0.32%	-1.78%
EUR	4.9200	0.54%	0.19%	-1.66%
JPY	3.8935	-0.31%	-2.26%	-3.67%
USD	4.0415	-0.21%	-2.87%	-4.70%

\*source : REUTERS closing bid price, as at 22-Jan-2021

# Daily FX Focus

25/1/2021

## 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)	#N/A	0.00	11-Mar-21	Japan (BOJ)	#N/A	-0.1	19-Mar-21
UK (BOE)	0.75	0.10	4-Feb-21	Malaysia	1.75	#N/A	
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	#N/A	3.75	

**Please take note that the primary sources of all the charts are from Reuters dated 25/01/2021 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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