

Daily FX Focus

5/1/2016

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

Australia December commodity special drawing rights index fell 23.3% YoY, falling higher than prior. AUD/USD once fell to 0.7153 level. Market is awaiting the announcement of weekly consumer confidence index.

Currency	Current Trend	Support / Resistance	Market commentary
AUD	↘	vs USD 0.7077 / 0.7313	Australia December commodity special drawing rights index fell 23.3% YoY, falling higher than prior. AUD/USD once fell to 0.7153 level. Market is awaiting the announcement of weekly consumer confidence index.
EUR	→	vs USD 1.0737 / 1.0963	Eurozone December manufacturing PMI came in at 53.2, higher than expectation. EUR/USD once rose to 1.0946 level. Market is waiting for the announcement of Eurozone December CPI.
GBP	↘	vs USD 1.4552 / 1.4988	UK December manufacturing PMI came in at 51.9, lower than expectation. GBP/USD once dropped to 1.4661 level. Market awaits the release of December house price index.
NZD	→	vs USD 0.6657 / 0.6863	NZD made a clean break of the lower bound short term bull channel; would need to gain above 0.6775 to re-establish upward momentum. NZD/USD once fell to 0.6717 level. Market is waiting for the release of building permits figures.
RMB	↘	vs USD 6.4827 / 6.5599	China December Caixin manufacturing PMI came in at 48.2, lower than expectation. USD/CNH once rose to 6.6343 level. Market is awaiting the release of December Caixin services PMI.
CAD	↘	vs USD 1.3784 / 1.4059	Canada December manufacturing PMI came in at 47.5, lower than prior. USD/CAD once rose to 1.3983 level. Market is waiting for the release of November industrial production price index.
JPY	↗	vs USD 117.54 / 122.44	Japan December manufacturing PMI came in at 52.6, higher than prior. USD/JPY once fell to 118.68 level. Market is waiting for the release of December services PMI.
CHF	↘	vs USD 0.9848 / 1.0124	Switzerland December manufacturing PMI came in at 52.1, higher than expectation. USD/CHF once slipped to 0.9921 level. Market awaits the announcement of December foreign currency reserve figures.
SGD	↘	vs USD 1.4079 / 1.4337	Singapore Q4 GDP grew 2.0% YoY, higher than expectation. USD/SGD once dropped to 1.4148 level. Market is waiting for the release of December Nikkei PMI.

* 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.

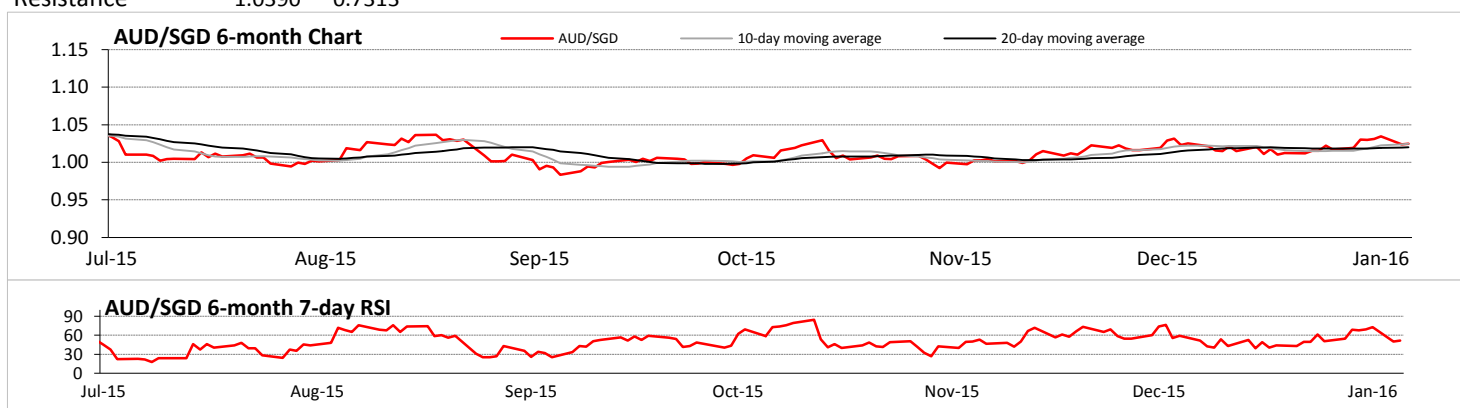
- Consolidation, indicates that the currency's movement against USD has remained sideways
- ↗ Up Trend, indicates that the currency has been moving higher against the USD
- ↘ Down Trend, indicates that the currency has been moving lower against the USD

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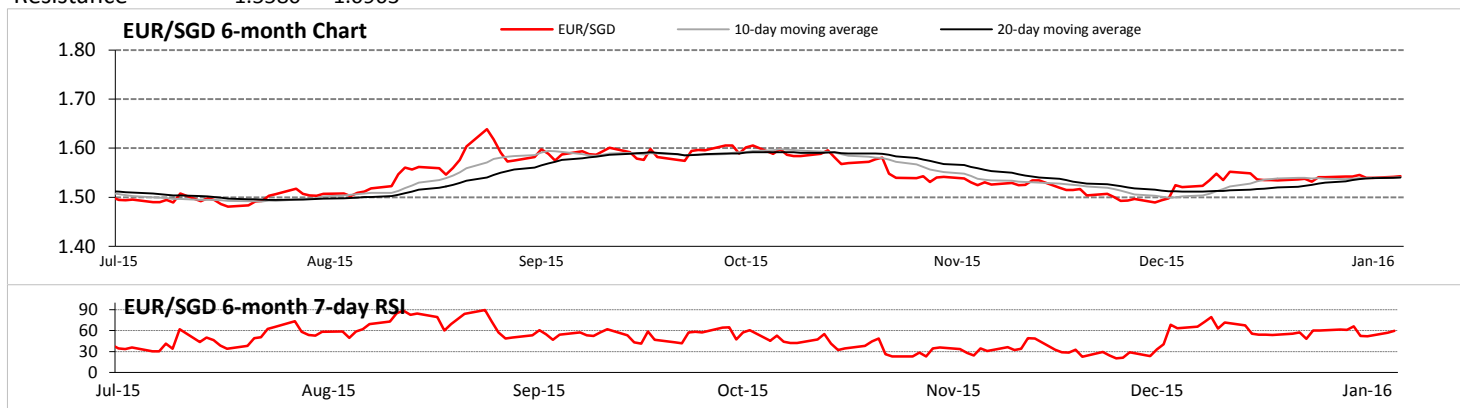
AUD	↘	<p>RBA announced to maintain the cash rate target at 2% in December as expected, and the economic outlook is gradually improving. Australia December commodity special drawing rights index fell 23.3% YoY, falling higher than prior. AUD/USD once fell to 0.7153 level. Market is awaiting the announcement of weekly consumer confidence index.</p>	
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Tehcnal Analysis	vs SGD	vs USD	Market's Focus
05-Jan	1.0240	0.7190	
Daily change:	-1.02%	-1.02%	(~) RBA kept the cash rate unchanged at 2% in December, as expected
High	1.0365	0.7327	(+) Australia Q3 GDP rose 2.5% YoY, higher than expected
Low	1.0044	0.7091	(-) Australia Q3 CPI rose 1.5%, worse than expected
Support*	1.0070	0.7077	(+) Australia November unemployment rate arrived at 5.8%, lower than expected
Resistance*	1.0390	0.7313	



EUR	→	<p>ECB President Draghi cut the deposit rate by 10 basis points, and announced extension of asset purchases by 6 months but keeping pace of monthly purchases steady. Eurozone December manufacturing PMI came in at 53.2, higher than expectation. EUR/USD once rose to 1.0946 level. Market is waiting for the announcement of Eurozone December CPI.</p>	
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Tehcnal Analysis	vs SGD	vs USD	Market's Focus
05-Jan	1.5420	1.0830	
Daily change:	0.16%	0.16%	(~) ECB kept its refinancing rate unchanged at 0.05% in December, as expected
High	1.5575	1.1006	(~) Eurozone Q3 GDP rose 1.6% YoY, as expected
Low	1.5256	1.0780	(-) Eurozone November CPI rose 0.1%, lower than expected
Support*	1.5260	1.0737	(+) Eurozone December manufacturing PMI arrived at 53.2, higher than expected
Resistance*	1.5580	1.0963	

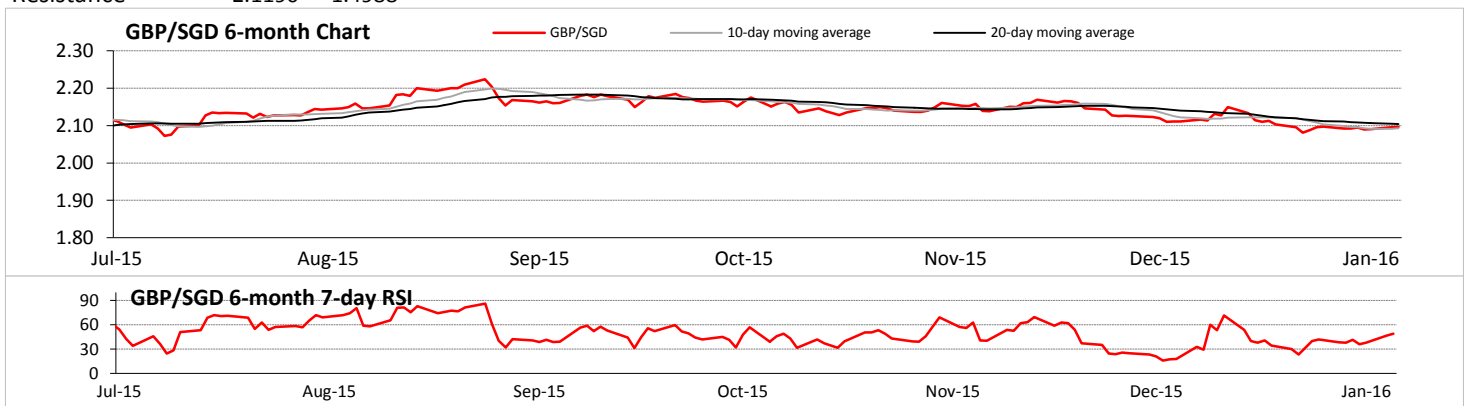


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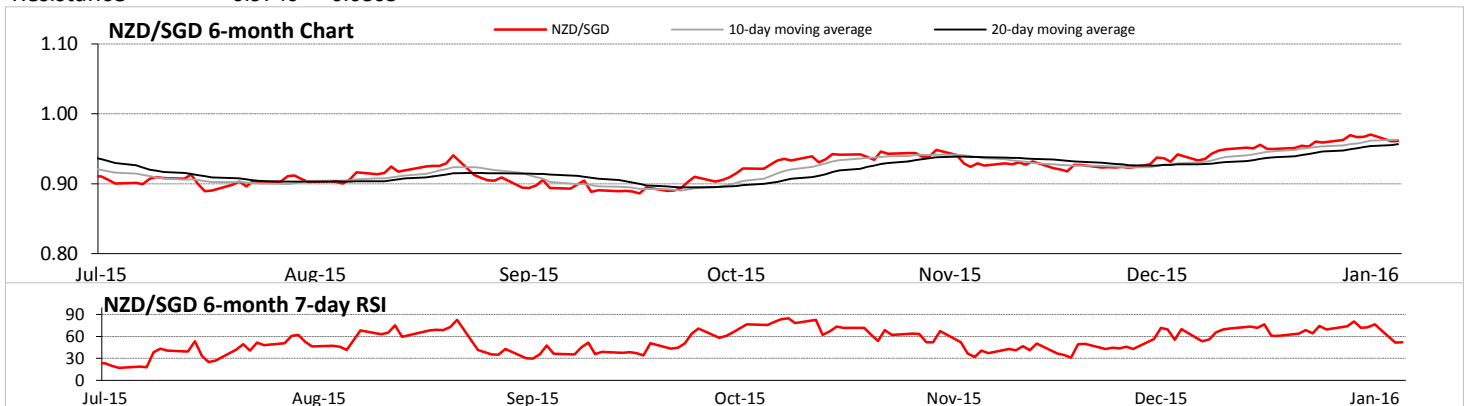
GBP	↘	<p>Bank of England maintained key rates at 0.5% on 10th December, and held asset purchase plan at GBP 375 billion. UK December manufacturing PMI came in at 51.9, lower than expectation. GBP/USD once dropped to 1.4661 level. Market awaits the release of December house price index.</p>	
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Tehcnal Analysis	vs SGD	vs USD	Market's Focus
05-Jan	2.0950	1.4720	
Daily change:	0.23%	0.23%	(~) Bank of England kept its monetary policy unchanged at 0.5% in December, as expected
High	2.1222	1.5097	(-) UK Q3 GDP rose 2.1% YoY, lower than expected
Low	2.0771	1.4661	(~) UK November CPI rose 0.1%, as expected
Support*	2.0740	1.4552	(+) UK ILO October's 3Mths unemployment rate was at 5.2%, lower than expected
Resistance*	2.1190	1.4988	



NZD	→	<p>RBNZ cuts Official Cash Rate to 2.5% from 2.75% in December, as expected. NZD made a clean break of the lower bound short term bull channel; would need to gain above 0.6775 to re-establish upward momentum. NZD/USD once fell to 0.6717 level. Market is waiting for the release of building permits figures.</p>	
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Tehcnal Analysis	vs SGD	vs USD	Market's Focus
05-Jan	0.9610	0.6750	
Daily change:	-1.00%	-1.00%	(~) RBNZ cut its cash rate bps at 2.5% in December, dropped as expected
High	0.9720	0.6886	(~) New Zealand Q3 GDP rose 2.3% YoY, as expected
Low	0.9438	0.6680	(~) New Zealand Q3 CPI rose 0.4%, higher than expected
Support*	0.9460	0.6657	(~) New Zealand Q3 unemployment rate arrived at 6%, as expected
Resistance*	0.9740	0.6863	

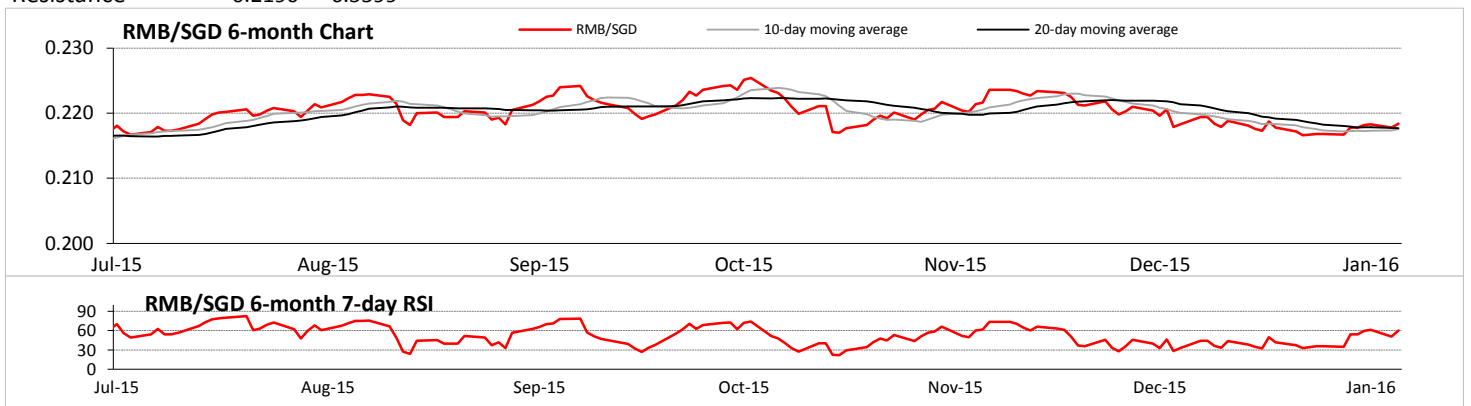


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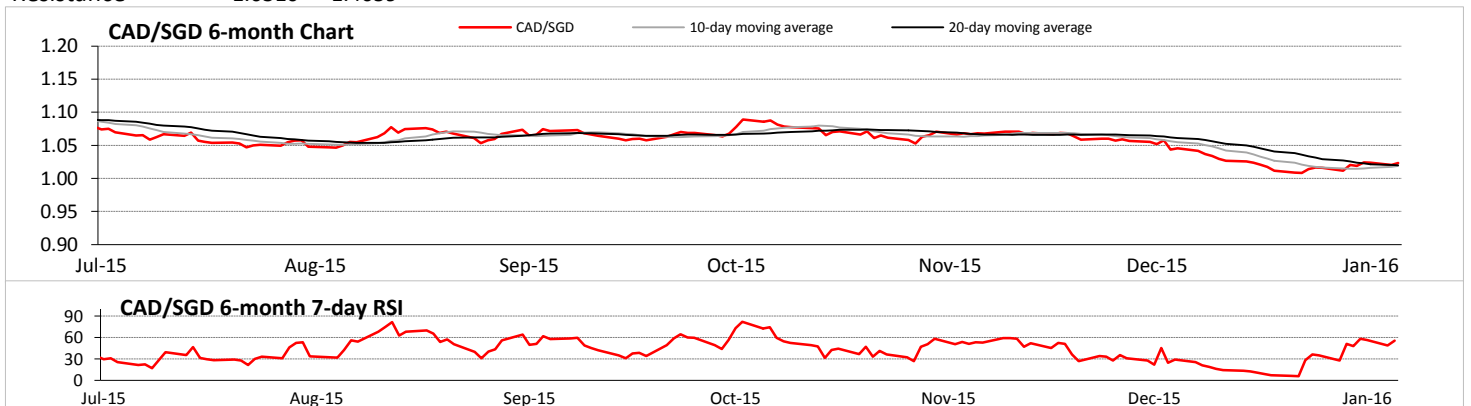
RMB	↘	<p>IMF announced its decision to include RMB in the SDR basket. China December Caixin manufacturing PMI came in at 48.2, lower than expectation. USD/CNH once rose to 6.6343 level. Market is awaiting the release of December Caixin services PMI.</p>
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Tehcnal Analysis	vs SGD	vs USD	Market's Focus
05-Jan	0.2180	6.5340	
Daily change:	-0.23%	-0.23%	(+) China Q3 GDP rose 6.9% YoY, higher than expected
High	0.2193	6.5350	(+) China November CPI rose 1.5%, higher than expected
Low	0.2164	6.4578	(-) China December Caixin manufacturing PMI arrived at 48.2, lower than expected
Support*	0.2160	6.4827	(+) China November industrial production rose 6.2%, higher than expected
Resistance*	0.2190	6.5599	



CAD	↘	<p>The Bank of Canada kept Overnight Lending Rate at 0.5% in October. They also cut their GDP growth forecast for 2016. Canada December manufacturing PMI came in at 47.5, lower than prior. USD/CAD once rose to 1.3983 level. Market is waiting for the release of November industrial production price index.</p>
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Tehcnal Analysis	vs SGD	vs USD	Market's Focus
05-Jan	1.0200	1.3950	(~) The BoC kept its Overnight Lending unchanged at 0.5% in December, as expected
Daily change:	-0.32%	-0.32%	(-) Canada October GDP rose 0.0% MoM, lower than expected
High	1.0282	1.3999	(-) Canada November CPI rose 1.4%, lower than expected
Low	1.0052	1.3724	(-) Canada November unemployment rate arrived at 7.1%, higher than expected
Support*	1.0080	1.3784	
Resistance*	1.0310	1.4059	



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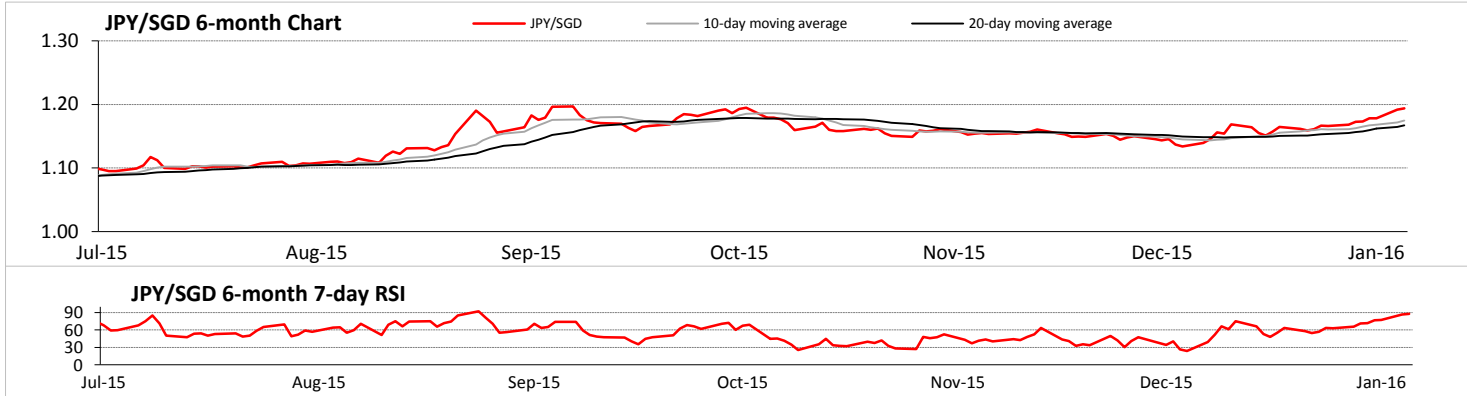
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JPY



The BoJ kept its monetary policy unchanged and pledged to increase the monetary base at an annual pace of 80 trillion yen in November. Japan December manufacturing PMI came in at 52.6, higher than prior. USD/JPY once fell to 118.68 level. Market is waiting for the release of December services PMI.

Tehcnal Analysis	vs SGD	vs USD	Market's Focus
05-Jan	1.1920	119.40	
Daily change:	1.17%	1.17% (~)	BoJ kept its monetary policy unchanged in December, as expected
High	1.1995	123.58 (-)	Japan Q3 GDP rose 0.3% YoY, higher than expected
Low	1.1480	118.68 (+)	Japan November CPI nationwide ex fresh food is at 0.1% YoY, higher than expected
Support*	1.1600	117.54 (+)	Japan December manufacturing PMI arrived at 52.6, higher than previous value
Resistance*	1.2120	122.44	

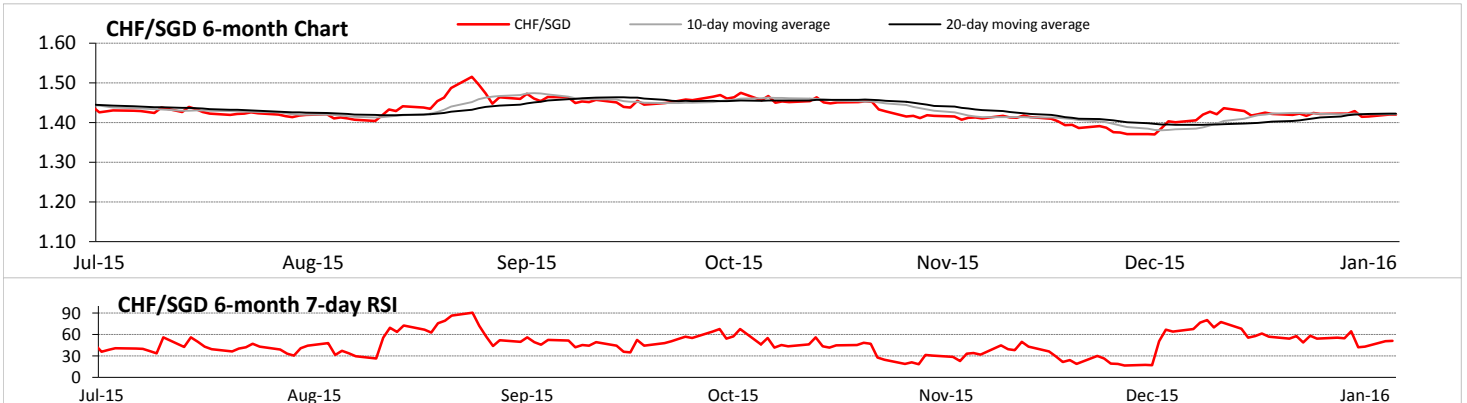


CHF



SNB announced to maintain the upper and lower range of 3M LIBOR target rate at -0.25%/-1.25% December. Switzerland December manufacturing PMI came in at 52.1, higher than expectation. USD/CHF once slipped to 0.9921 level. Market awaits the announcement of December foreign currency reserve figures.

Tehcnal Analysis	vs SGD	vs USD	Market's Focus
05-Jan	1.4200	1.0020 (~)	The SNB kept the interest rate on sight deposit account balances unchanged at -0.75% in December, as expected
Daily change:	0.35%	0.35%	
High	1.4350	1.0065 (~)	Switzerland Q3 GDP rose 0.8% YoY, as expected
Low	1.4115	0.9789 (+)	Switzerland November CPI fell 1.4% YoY, lower than expected
Support*	1.4090	0.9848 (~)	Switzerland November unemployment rate came in 3.4%, as expected
Resistance*	1.4330	1.0124	

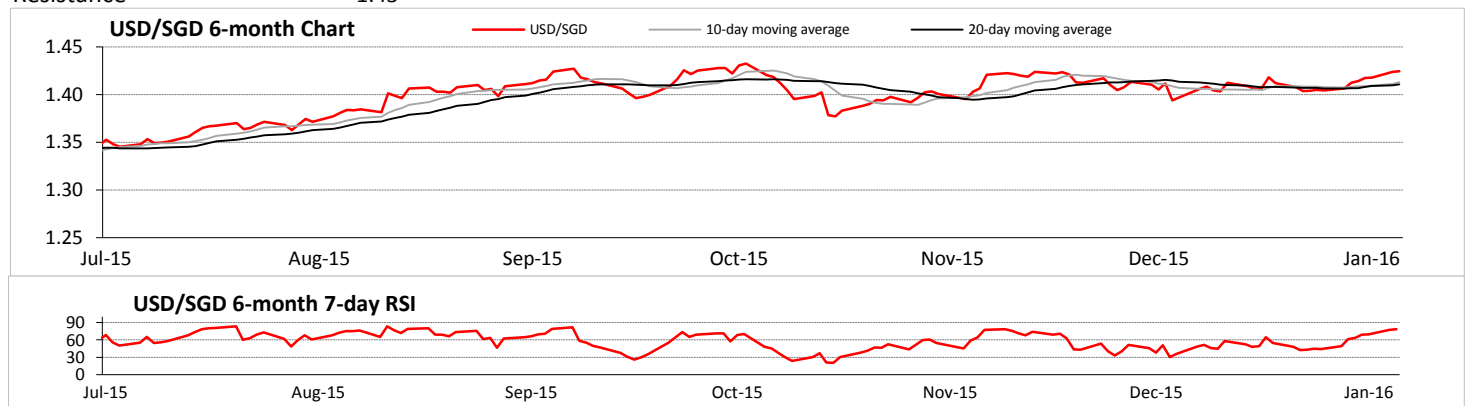


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SGD	↓	Singapore Q4 GDP grew 2.0% YoY, higher than expectation. USD/SGD once dropped to 1.4148 level. Market is waiting for the release of December Nikkei PMI.
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Tehcnical Analysis	vs USD	Market's Focus
05-Jan	1.42	
Daily change:	0.42% (+)	Singapore Q4 GDP rose 2% YoY, higher than expected
High	1.43	(+) Singapore November CPI fell 0.8%, lower than expected
Low	1.40	(+) Singapore Q3 unemployment rate arrived at 2%, lower than expected
Support*	1.41	(+) Singapore November purchasing managers index arrived at 49.2, higher than expected
Resistance*	1.43	



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Important Economic Data Release

Source: Bloomberg as of January 5, 2016

Date	Events	Reporting period	Analysts Consensus	Previous	Actual
United States					
1/4/2016	Construction Spending MoM	Nov	0.70%	1%	-0.40%
1/4/2016	ISM Manufacturing*	Dec	49	48.6	48.2
1/4/2016	ISM Prices Paid	Dec	36	35.5	33.5
1/6/2016	ADP Employment Change	Dec 198K		217.4K	-
1/6/2016	Durable Goods Orders*	Dec		0%	-
1/6/2016	Durables Ex Transportation	Dec		-0.10%	-
1/6/2016	MBA Mortgage Applications*	Weekly		7.30%	-
1/6/2016	ISM Non-Manf. Composite	Dec	56	55.9	-
1/6/2016	Factory Orders*	Nov	-0.20%	1.50%	-
1/6/2016	Trade Balance*	Nov -44B		-43.891B	-
1/7/2016	Initial Jobless Claims*	Weekly		287K	-
1/7/2016	Continuing Claims	Weekly		2198K	-
1/8/2016	Wholesale Inventories	Nov	-0.10%	-0.10%	-
1/8/2016	Change in Nonfarm Payrolls*	Dec 200K		211K	-
1/8/2016	Change in Manufact. Payrolls	Dec 0K		-1K	-
1/8/2016	Unemployment Rate*	Dec	5%	5%	-
1/9/2016	Consumer Credit	Nov 18.25B		15.982B	-
Regional					
1/4/2016	Australia AiG Performance of Mfg Index	Jan		51.9	51.9
1/4/2016	Hong Kong Retail Sales - Value (YoY)	Nov	-6.40%	-3%	-7.80%
1/6/2016	Australia AiG Performance of Service Index	Dec		48.2	-
1/7/2016	Australia Building Approvals (MoM)*	Nov	-3%	3.90%	-
1/7/2016	Australia Trade Balance*	Nov -2970M		-3305M	-
1/7/2016	Australia Building Approvals (YoY)	Nov	3.90%	12.30%	-
1/8/2016	China Trade Balance (USD)*	Dec 51.55B		54.1B	-
1/8/2016	China Exports YoY%	Dec	-6%	-6.80%	-
1/8/2016	China Imports YoY%	Dec	-9.50%	-8.70%	-
1/9/2016	China Consumer Price Index*	Dec	1.70%	1.50%	-
1/9/2016	China Producer Price Index (YoY)*	Dec	-5.80%	-5.90%	-
1/9/2016	China Purchasing Price Index (YoY)	Dec		-6.90%	-
G7 Countries					
1/4/2016	France PMI Manufacturing*	Jan	51.6	51.6	51.4
1/4/2016	Germany PMI Manufacturing	Jan	53	53	53.2
1/4/2016	Germany Consumr Price Index (MoM)	Dec	0.20%	0.10%	-0.10%
1/4/2016	Germany Consumr Price Index (YoY)	Dec	0.60%	0.40%	0.30%
1/4/2016	Germany CPI - EU Harmonised (YoY)	Dec	0.40%	0.30%	0.20%
1/4/2016	Germany CPI - EU Harmonised (MoM)	Dec	0.20%	0.10%	0%
1/4/2016	Germany Retail Sales (MoM)	Nov	0.50%	-0.10%	-0.10%
1/4/2016	Italy PMI Manufacturing	Dec	54.9	54.9	55.6
1/4/2016	Japan Official Reserve Assets	Dec		1233.008B	1233.008B
1/4/2016	UK PMI Manufacturing	Dec	52.8	52.7	51.9
1/4/2016	UK Mortgage Approvals	Nov 69.8K		69.63K	70.41K
1/5/2016	Canada Canada Industrial Production*	Nov	0%	-0.54%	-
1/5/2016	Canada Canada Industrial Production*	Nov	0%	-0.54%	-
1/5/2016	Germany Unemployment Change (000's)*	Dec -8K		-13K	-
1/5/2016	Germany Unemployment Rate (s.a.)	Dec	6.30%	6.30%	-
1/5/2016	Japan Vehicle Sales (YoY)	Dec		0.30%	-
1/5/2016	UK Halifax House Prices sa (MoM)*	Dec	0.50%	-0.20%	-
1/5/2016	UK Halifax House Prices 3M/Year	Dec	9%	9%	-
1/6/2016	France PMI Services	Jan	50	50	-
1/6/2016	Germany PMI Services	Jan	55.4	55.4	-
1/6/2016	UK PMI Services	Dec	55.6	55.9	-
1/7/2016	Canada Ivey Purchasing Manager Index	Dec		57.9	-

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Central Bank Rate

	Current	Prior	Date		Current	Prior	Date
FED Fund	0.25	0.25	28-Jan-16	Canada (BOC)	0.50	0.50	20-Jan-16
Europe (ECB)	0.05	0.05	21-Jan-16	Japan (BOJ)	0.10	0.10	29-Jan-16
UK (BOE)	0.50	0.50	14-Jan-16	Malaysia	3.25	3.25	21-Jan-16
Australia (RBA)	2.00	2.00	2-Feb-16	Taiwan	1.63	1.75	-
New Zealand (RBNZ)	2.50	2.75	28-Jan-16	Indonesia	7.50	7.50	-

Please take note that the primary sources of all the charts are from Reuters dated 5 Jan 2016 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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