

Market Talk

- A recent unusual sight today. China's Yuan is fixed at a stronger rate, triggering a rally in Aussie and SGD.
- Aussie rally fizzled out when RBA's Lowe repeated that rate will stay for a prolong period of time and a lower AUD/USD is helpful.
- Report that US may sanction China over Iran oil import may derail planned trade talk. Geopolitical and trade tensions could increase again.
- A strong UK Retail Sales aided Sterling off its 14-month low but lingering concerns over a Brexit without a trade deal capped Sterling's rally
- No major data tonight other than Canadian CPI at 8.30pm. Focus will be on technical trading.

Chart Focus USD/SGD

Key Points

1. Sell USD/SGD recommendation
2. Sell USD/SGD at 1.3765. Stop @ 1.3815 and Target @ 1.3690
3. An easing of trade tensions between China and US lead to a weakening of US\$
4. Possible top reversal pattern with MACD divergence confirmation

Fundamental Comments

1. An easing of trade tensions between China and US leads to a weakening of US\$
2. A stronger Yuan fixing today is good for regional currencies like SGD

Technical Comments

1. Possible top reversal pattern with MACD divergence confirmation
2. Price inability to move above the 20EMA resistance.

Key Levels

Support	1.3720	1.3680	1.3620
Resistance	1.3770	1.3815	1.3860



Technical Overview

USD/JPY - Price was capped at 111.15 yesterday and declined lower to 110.80. We think price will continue to move lower. Our target for the down move is at 110.00. MACD is flat and neutral at the moment but longer term MACD is still bearish. A price move beyond 111.36 will negate our bearish view.

Support	110.65	110.10	109.75
Resistance	110.90	111.50	112.15

EUR/USD - A second day of consolidation after a 14-month low continues today. There is a risk that this consolidation could last a longer time if price is able to move beyond 1.1410. There is a downtrend line that comes in at this point. A break above this downtrend could also mean a possible Inverse Head and Shoulder pattern with a target at 1.1520. MACD is bullish and turning higher as well.

Support	1.1350	1.1300	1.1275
Resistance	1.1410	1.1470	1.1520

GBP/USD - Price has moved above a downtrend line. We are likely to see a corrective rally to 1.2810 as long as price stays above 1.2690. MACD showed divergence path with price 2 days ago and is rising but has yet to turn bullish.

Support	1.2690	1.2630	1.2585
Resistance	1.2755	1.2790	1.2820

XAU/USD - The strong rally off the low fizzled out at 1181.70 point which is around the 50% Fibonacci retracement. If price is unable to move above 1181.70, there is high chance to see a decline to 1165 to test the low again. As MACD is still bearish, there is a chance that this rally is corrective in nature.

Support	1177.80	1181.40	1189.60
Resistance	1171.60	1165.45	1160.10

AUD/USD - Price has moved above the low but was unable to move above an important resistance point at 0.7290. As long as price stays below this resistance, there is a high chance that price will test the low at 0.7200 again. MACD is above the zero line and bullish but looks rather flat and not giving any useful hint.

Support	0.7250	0.7200	0.7175
Resistance	0.7290	0.7320	0.7355

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