

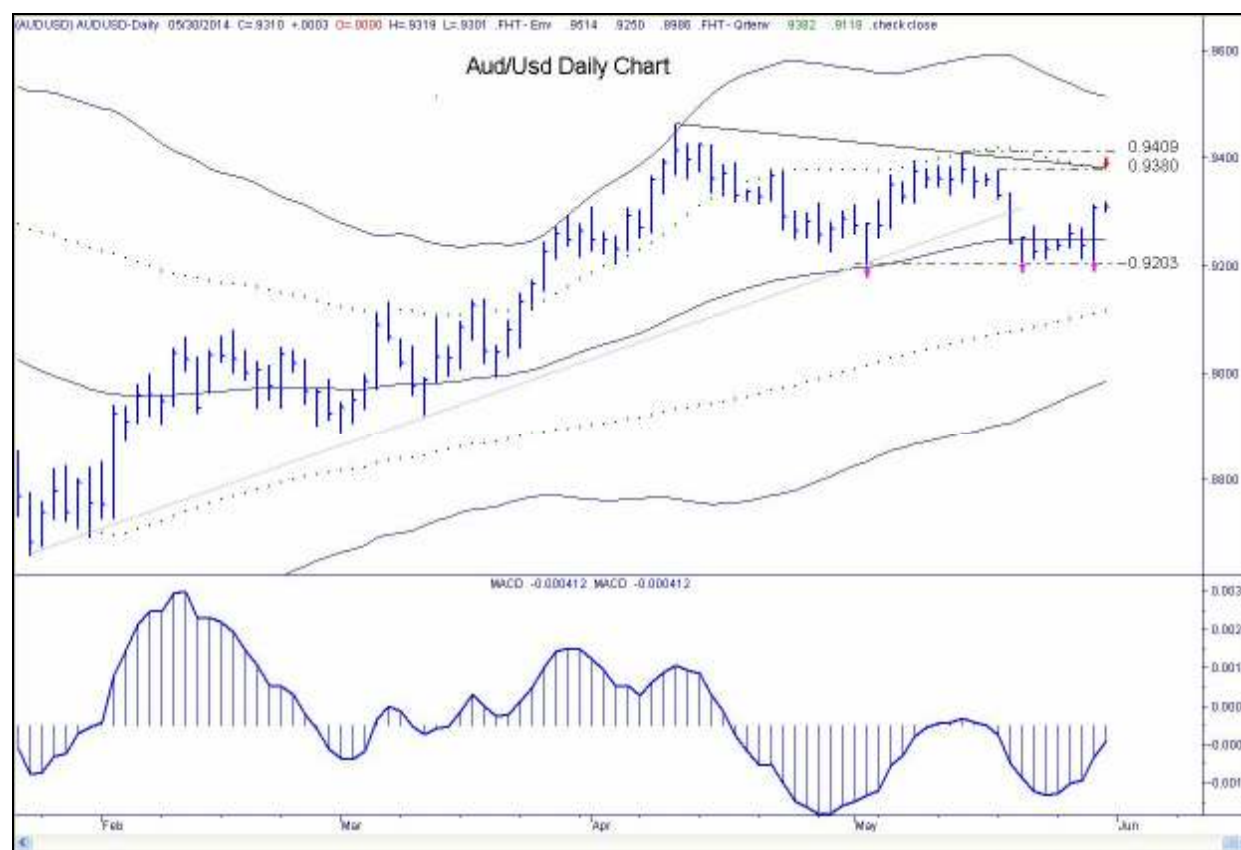
Friday, 30 May 2014

Technical Insights

Chart Of The Day

AUD/USD – 0.9303

Expect a move towards 0.9380 in the coming week.



The repeated failure to break below the strong support at 0.9200/05 coupled with the sharp rally yesterday suggests further upside pressure is likely in the coming week. However, upward momentum is only beginning to pick up and a clear break above the very strong mid-term resistant at 0.9380 (confluence of resistants) appears unlikely for now. Overbought short-term conditions may lead to a pullback but as long as the key support at 0.9235/40 is intact, expect a move towards 0.9380 in the coming week.

Daily FX Technicals

EUR/USD: 1.3601

EUR made a marginal fresh low of 1.3586 before rebounding. While short-term downward momentum is waning, the mid-term outlook still appears negative and we continue expect further EUR weakness towards 1.3563 going into next week. The key resistant is still at 1.3675.

GBP/USD: 1.6725

GBP is likely in a short-term consolidation phase before moving lower at a later stage. Expect quiet trading going into early next week but as long as the key resistant at 1.6820 is intact, we continue to expect a move towards our target at 1.6660. Strong short-term resistant is at 1.6880.

AUD/USD: 0.9303

[See Chart of the Day above]

NZD/USD: 0.8495

The low of 0.8452 yesterday came close to our revised target at 0.8445. Oversold short-term conditions coupled with waning momentum suggest limited downside pressure for now but as long as the key mid-term resistant at 0.8570 is intact, further NZD weakness cannot be ruled out just yet. In the meanwhile, 0.8445/50 could act as a short-term base for a recovery towards 0.8530.

USD/JPY: 101.63

There is no change to the current mid-term neutral outlook, continue to expect 101.35 to 102.15 range for now.

USD/SGD: 1.2540

Despite the deeper than expected pullback, the mid-term outlook still appears to be bullish. However, further USD strength is likely only upon a clear break above the strong resistant at 1.2570. In the meanwhile, USD could trade sideways for the next couple of trading days but as long as the key support at 1.2515 is not taken out, the overall pressure is still on the upside.

USD/MYR: 3.2135

The sharp pullback from the short-term resistant at 3.2250 indicates that the current mid-term outlook is still neutral. On a shorter-term note, USD is expect to trade between 3.2000 and 3.2250 going into the early part of next week.

EUR/SGD: 1.7065

EUR made a fresh low of 1.7040/45 yesterday before rebounding. While the undertone is still negative, short-term downward momentum is waning rapidly and unless there is a move towards our target at 1.7020 in the next couple of trading days, a break above the key resistant at 1.7150 would indicate that the current bearish phase has ended.

GBP/SGD: 2.0975

The current movement is likely a short-term consolidation/correction phase. From a mid-term perspective, we continue to expect further GBP weakness towards 2.0910 in the coming week. Expect 2.1050 to cap any short-term up-move but only a move above 2.1120 would indicate that the bearish view is wrong.

AUD/SGD: 1.1680

Our bearish expectation was wrong as AUD clearly broke above the strong resistant at 1.1650. The outlook has shifted to bullish but based on the current momentum, a sustained move above the strong mid-term resistant at 1.1750/55 appears unlikely for now. Overall, unless there is a move back below 1.1600, expect AUD to strengthen towards 1.1750/55 by the end of next week.

JPY/SGD: 1.2340

JPY failed to break above the strong resistant at 1.2370 yesterday (high of 1.2360/65). The pullback from the high reinforces our view that the current mid-term outlook is still neutral between 1.2200 and 1.2370. On a shorter-term note, expect 1.2300/1.2370 range to hold into the early part of next week.

Summary of Views

FX Pairs	Outlook	Date Rate	Current Target	Current Key Levels	Comments
EUR/USD	Bearish	12 May 14 1.3760	1.3610 (met)/ 1.3563	1.3675 (r)	Mid-term outlook is still negative, continue to expect a move towards 1.3563 going into next week.
GBP/USD	Bearish	28 May 14 1.6811	1.6730 (met)/ 1.6660	1.6840 (r)	The current short-term consolidation phase is expected to lead to further GBP weakness at a later stage.
AUD/USD	Bullish	30 May 14 0.9303	0.9380	0.9235 (s)	Outlook shifted to bullish, expect a move towards 0.9380 in the coming week.
NZD/USD	Bearish	21 May 14 0.8568	0.8510 (met)/ 0.8445	0.8570 (r)	Low of 0.8452 came close to our 0.8445 target. Likely in a short-term consolidation phase now.
USD/JPY	Neutral	26 May 14 101.95	-	101.35 (s) 102.15 (r)	No change in mid-term neutral outlook, continue to expect 101.35 to 102.15 range for now.
USD/SGD	Bullish	28 May 14 1.2557	1.2630/50	1.2515 (s)	Current short-term consolidation should lead to further USD strength later on.
USD/MYR	Neutral	09 May 14 3.2280	-	3.2000 (s) 3.2380 (r)	In a short-term consolidation range for now.
EUR/SGD	Bearish	12 May 14 1.7200	1.7090 (met)/ 1.7020	1.7150 (r)	Despite making fresh lows, short-term downward momentum is waning.
GBP/SGD	Bearish	29 May 14 2.0992	2.0910	2.1120 (r)	Likely in a short-term consolidation phase before moving lower at a later stage.
AUD/SGD	Bullish	30 May 14 1.1680	1.1750	1.1600 (s)	Outlook shifted to bullish, expect 1.1600 to hold for a move towards 1.1750.
JPY/SGD	Neutral	26 May 14 1.2290	-	1.2240 (s) 1.2370 (r)	On a shorter-term note, expect 1.2300/1.2370 range going into the early part of next week.

(s) – support

(r) - resistant

Disclaimer: This analysis is based on information available to the public. Although the information contained herein is believed to be reliable, UOB Group makes no representation as to the accuracy or completeness. Also, opinions and predictions contained herein reflect our opinion as of date of the analysis and are subject to change without notice. UOB Group may have positions in, and may effect transactions in, currencies and financial products mentioned herein. Prior to entering into any proposed transaction, without reliance upon UOB Group or its affiliates, the reader should determine, the economic risks and merits, as well as the legal, tax and accounting characterizations and consequences, of the transaction and that the reader is able to assume these risks. This document and its contents are proprietary information and products of UOB Group and may not be reproduced or otherwise.