

FX Insights

Monday, 28 September 2020

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The US economic docket kicks off on Monday with the Dallas Fed manufacturing activity index for September. On Tuesday, we are likely to see an improvement in the Conference Board's consumer confidence readings for September. We will also be receiving advance goods trade balance, as well as wholesale and retail inventories, all for the month of August. S&P/Case-Shiller home prices data for July will also be rolled out. Mid-week, all eyes will be on the ADP employment report for September, together with the third swing at 2Q20 GDP. Pending home sales for August and the MNI Chicago PMI for September will also be in the spotlight. More job market sentiment will be informed by Thursday's weekly jobless claims. Data to be released on Thursday will also include personal income and spending numbers for August, the final Markit manufacturing PMI reading for September, and August construction spending data. The ISM manufacturing report on Thursday will contain the employment sub-index that may also indicate hiring momentum. The week will then end off with Friday's nonfarm payrolls and companion household survey for the month of September. The University of Michigan consumer sentiment readings for September, as well as August factory and durable goods orders will also be released.

This week, several FOMC voters will be due to speak. On Tuesday, Cleveland Fed President Loretta Mester will be participating in an Economic Equality webinar at 2am SGT. At 9.15pm SGT, San Francisco Fed President John Williams will be speaking at a Treasury Market conference. Shortly after at 9.30pm SGT, Philadelphia Fed President Patrick Harker will be discussing on Machine Learning. At 11.40pm SGT, Fed Vice Chair Richard Clarida will be moderating a panel on the Treasury Market. On Wednesday, San Francisco Fed President John Williams will be taking part in a fireside chat at 1am SGT. At the same time, Fed Vice Chair for Financial Regulation Randal Quarles will be speaking on a panel on Financial Regulation. He then speaks on Financial Stability at 3am SGT. At 11pm SGT, Minneapolis Fed President Neel Kashkari will be discussing on COVID and the economy. Fed Governor Michelle Bowman will be speaking on Community Banks on Thursday at 1.40am SGT. San Francisco Fed President John Williams will be giving welcoming remarks at a FinTech Conference at 11pm SGT. At 3am SGT on Friday, Fed Governor Michelle Bowman will be speaking on Community Banks again. Last but not least, Philadelphia Fed President Patrick Harker will be discussing on Inclusive Workforce Recovery at 9pm SGT.

US domestic politics will also be in focus, with the first Presidential debate between US President Donald Trump and Democrat nominee Joe Biden televised live on Tuesday. Also, following a period of impasse, Phase IV stimulus package negotiations seem to be back on the table after US House Speaker Nancy Pelosi and US Treasury Secretary Steven Mnuchin both raised the prospect of resuming talks on further stimulus on Thursday (24 September). House Democrats are also said to have started drafting a US\$2.4tn stimulus bill.

The Eurozone will be informed by the region's PMIs for September this week. Eurozone inflation readings for September arrive on Friday, following figures from Germany and Spain on Tuesday, and then France and Italy on Wednesday. The Eurozone's unemployment rate on Thursday may climb to 8.1% in August (from 7.9% in July). European Central Bank (ECB) President Christine Lagarde is scheduled to speak at the European Parliament on Monday at 9.45pm SGT. She then speaks again on Wednesday at the ECB Watchers Conference at 3.20pm SGT.

Over in the UK, the focus this week will be on the final 2Q20 GDP reading on Wednesday. Before that, Nationwide house prices are due on Wednesday. Bank of England (BOE) Governor Andrew Bailey will be speaking to the Belfast Executive's Club on Monday at 10pm SGT. BOE Chief Economist Andy Haldane will be speaking at the LEP Economic Summit on Wednesday at 4.30pm SGT. He will then speak again the following day at 6.20pm SGT at a conference on shareholder primacy.

We will be receiving several key data from Japan in the week ahead, including August retail sales and industrial production on Wednesday. The 3Q20 Tankan Survey is due on Thursday, whilst the unemployment rate for August is due on Friday. Elsewhere, the economic dockets for both Australia and New Zealand seem relatively light this week. The focus in Australia will be on August retail sales on Friday.

Here in Singapore, the key data include the month-end bank loans and money supply data for August (Wednesday), the preliminary 3Q20 URA private home price index (Thursday), the official PMI for September (Friday). We will also look out for the confirmation for the release date for the October Monetary Policy Statement (MPS) and the preliminary 3Q20 GDP growth data (which should be no later than 14 October). Note that the Monetary of Singapore (MAS) enters a blackout period 21 days ahead of its MPS release, that is "MAS staff involved in formulating monetary policy will refrain from commenting on Singapore's monetary policy, as well as conjunctural developments and outlook of the Singapore economy during this period."

China will be on a week-long National Day holiday from 1-8 October. As with previous years, the key event will be President Xi Jinping's important policy speech on Thursday, the 71st anniversary of the founding of the People's Republic of China. This policy speech comes a week after tense exchanges between the two countries at the 75th session of the UN General Assembly. Key Asian data this week will include China's September official manufacturing and non-manufacturing PMI (Wednesday). China's Caixin manufacturing PMI will be brought forward to Wednesday due to the week -long Chinese holiday.

Elsewhere, South Korean September trade (Thursday, even though it is a holiday in South Korea); Indonesia's September CPI data for Indonesia (Thursday); and Vietnam's 3Q20 GDP (expected 27-30 September) will be released.

Both the Philippine Central Bank (BSP) and the Reserve Bank of India (RBI) will have monetary policy decisions on Thursday. BSP is expected to keep policy unchanged in October, and to continue evaluating the transmission of its existing policy actions to the economy and the fiscal measures to address the pandemic. This, alongside ample liquidity in the market, justifies steady monetary policy ahead. RBI is also expected to keep its policy rate unchanged in its upcoming meeting. There is scope for further easing by the RBI, but with real interest rates already negative due to supply chain disruptions keeping inflation elevated, the immediate benefits from a rate cut might not outweigh potential harm to the RBI's credibility.

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- 23 Sep 20: [Singapore: Deflationary Pressure Could Continue Into 4Q20](#)
- 23 Sep 20: [New Zealand: RBNZ Holds At 0.25%, But A Negative OCR Is Looking More Likely](#)

USD/SGD: 1.3765



24-HOUR VIEW

USD could test the major resistance at 1.3800 but a sustained advance above this level is unlikely.

Our expectation for USD to consolidate last Friday was incorrect as it rose to a high of 1.3794 before easing off to close little changed at 1.3765 (+0.04%). Upward momentum appears to be struggling and while USD could test the major resistance at 1.3800, a sustained advance above this level is unlikely (next resistance is at 1.3825). Support is at 1.3745 but followed by 1.3730.



1-3 WEEKS VIEW

Pace of any further advance in USD is likely to be slower and the next resistance at 1.3825 may not break so easily.

There is not much to add to our latest narrative from last Thursday (24 Sep, spot at 1.3730). As highlighted, the advance in USD has room to run further and the "next resistance is at 1.3800". USD rose to a high of 1.3794 during NY hours last Friday before easing off. While the up-move is overbought, it is too early to expect a sustained pull-back. That said, the pace of any further advance is likely to be slower and the next resistance at 1.3825 may not break so easily. All in, only a move below 1.3695 ('strong support' level previously at 1.3665) would indicate that the current upward pressure has eased.



1-3 MONTHS VIEW

Large decline in USD/SGD that started in March this year may be bottoming out. (dated 25 Sep 2020) [Read more](#)

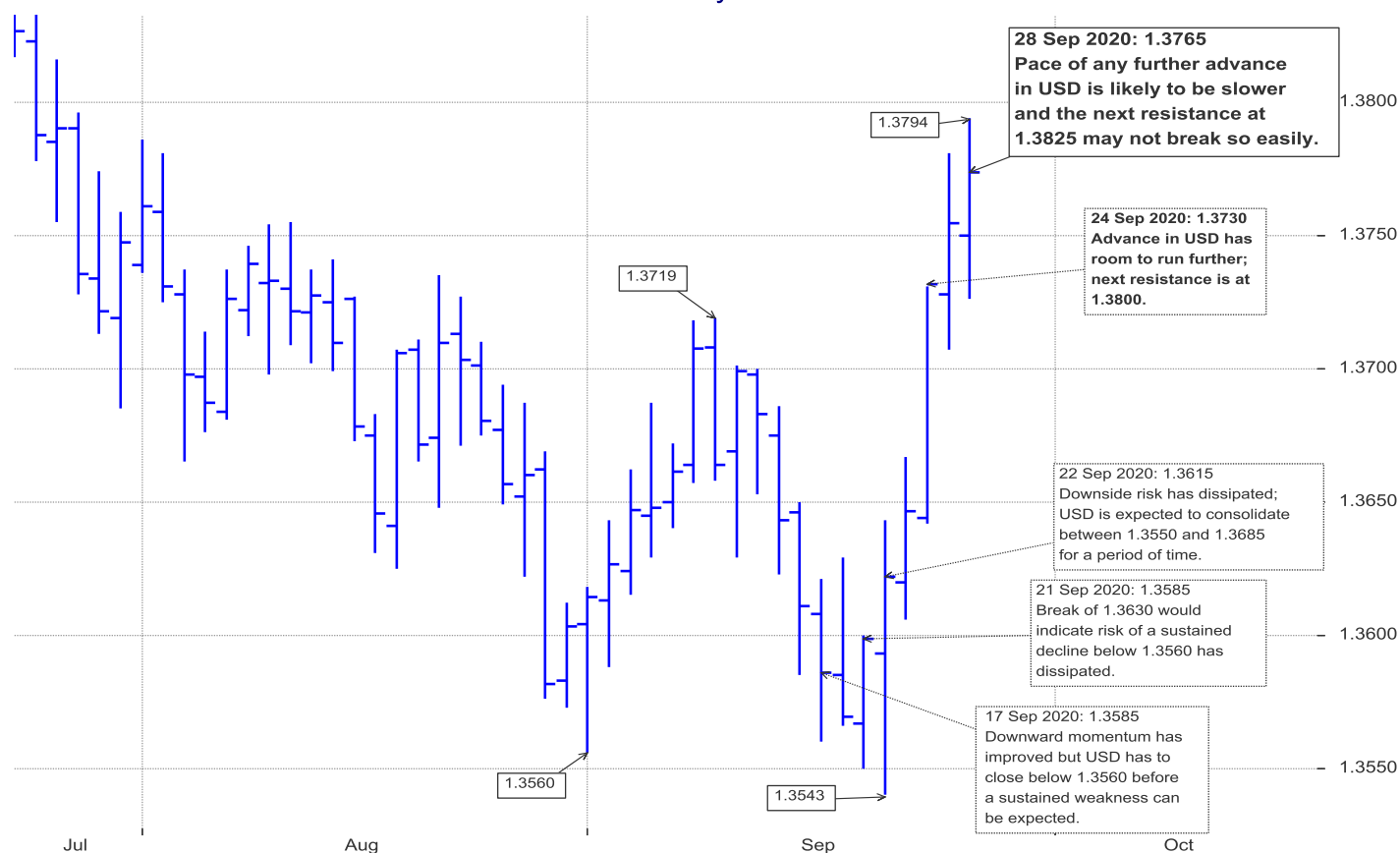


LEVELS

Support	Resistance	Ranges 25 Sep 2020				Percentage change			
		Open	High	Low	Close	1D	1W	1M	YTD
S1: 1.3730 S2: 1.3695	R1: 1.3800 R2: 1.3825	1.3758	1.3794	1.3730	1.3765	+0.04%	+1.21%	+0.63%	+2.30%

Sep 25, 2020; 1.3773,

USD/SGD Daily Chart



Source: Refinitiv Datastream/UOB Global Economics & Market Research

EUR/USD: 1.1635



24-HOUR VIEW

Room for EUR to probe the 1.1600 support but a sustained decline below this level is unlikely.

Our expectation for the “rebound in EUR to extend higher” was wrong as it dropped to a low of 1.1611 before closing on a soft note at 1.1630 (-0.36%). Despite the relatively rapid decline, downward momentum has not improved by much. From here, there is room for EUR to probe the 1.1600 support but in view of the lackluster momentum, a sustained decline below this level is unlikely (next support at 1.1565). Resistance is at 1.1660 followed by 1.1685.



1-3 WEEKS VIEW

EUR could dip below 1.1600 but 1.1565 is expected to offer formidable support.

The negative phase in EUR that started more than a week ago (see annotations in the chart below) is still intact. In our latest update from last Friday (25 Sep, spot at 1.1675), we held the view that the “outlook for EUR remains weak but the next support at 1.1600 may not come into the picture so soon”. While EUR subsequently dropped to a low of 1.1611, the decline appears to be running ahead of itself. From here, EUR could dip below 1.1600 but 1.1565 is expected to offer formidable support. All in, only a break of 1.1720 (‘strong resistance’ level previously at 1.1760) would indicate that the negative phase has run its course.



1-3 MONTHS VIEW

EUR/USD is likely in a corrective pull-back; could move lower towards the previous “break-out” level just below 1.1500. (dated 25 Sep 2020) [Read more](#)

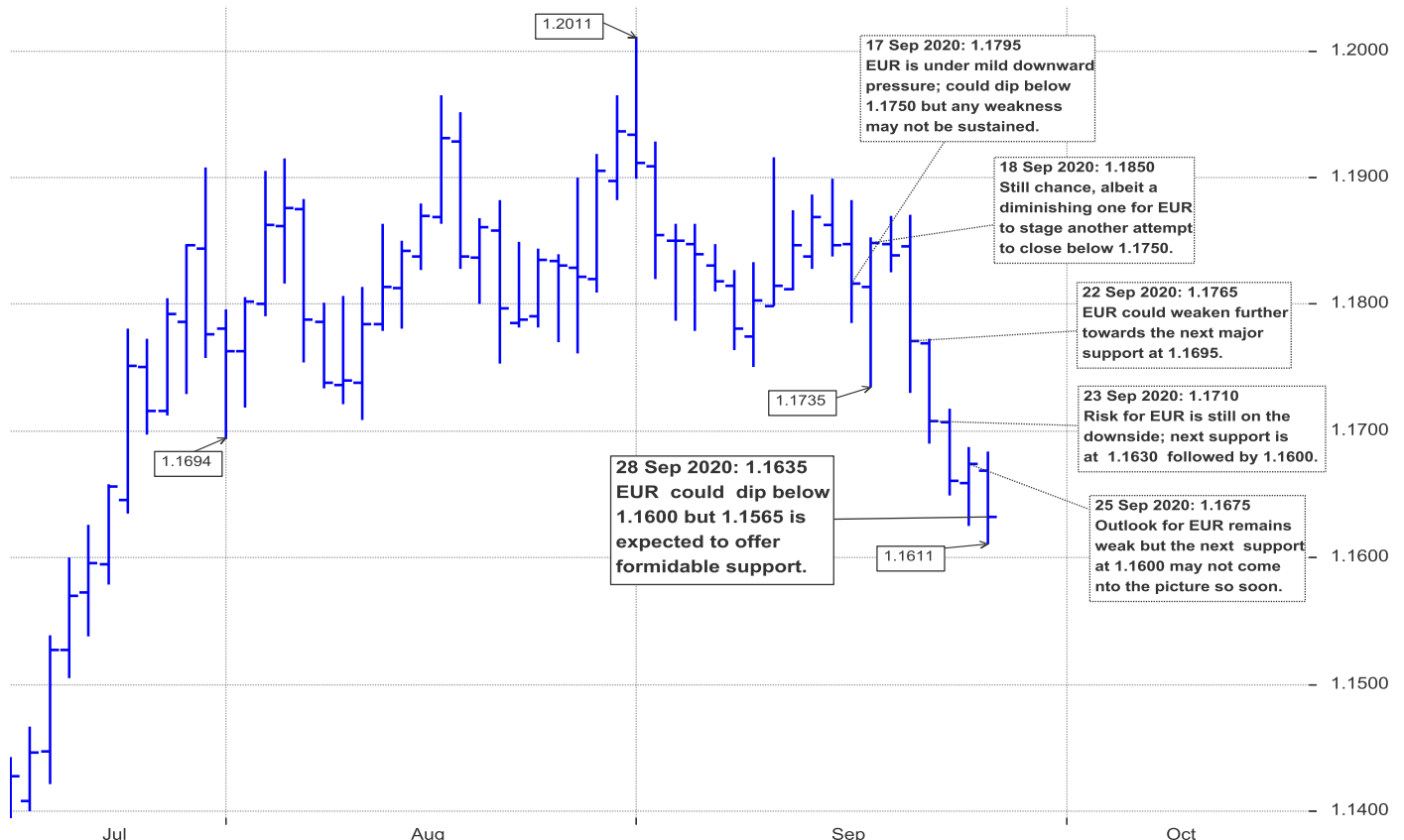


LEVELS

Support	Resistance	Ranges 25 Sep 20				Percentage change			
		Open	High	Low	Close	1D	1W	1M	YTD
S1: 1.1600 S2: 1.1565	R1: 1.1685 R2: 1.1720	1.1667	1.1684	1.1611	1.1630	-0.36%	-1.75%	-1.72%	+3.75%

Sep 25, 2020; 1.1632,

EUR/USD Daily Chart



Source: Refinitiv Datastream/UOB Global Economics & Market Research

GBP/USD: 1.2755



24-HOUR VIEW

GBP could trade sideways, expected to be within a 1.2700/1.2810 range.

We highlighted last Friday that “momentum indicators are turning “neutral” and expected GBP to “trade sideways within a 1.2700/1.2800 range”. GBP subsequently traded within a wider range than expected (1.2688/1.2805) before closing little changed at 1.2741 (-0.03%). The price action offers no fresh clues and GBP could continue to trade sideways for today, expected to be within a 1.2700/1.2810.



1-3 WEEKS VIEW

GBP could consolidate first; another down-leg towards 1.2650 is still a distinct possibility.

No change in view from last Friday, see reproduced update below.

Two days ago (23 Sep, spot at 1.2745), we highlighted that “downward momentum has improved considerably and GBP could weaken to further to 1.2650”. GBP subsequently dropped to a low of 1.2676 but it has not been able to make further headways on the downside. Shorter-term momentum is beginning to ease and this could lead to a couple of days of consolidation first. As long as the ‘key resistance’ at 1.2830 is not taken out, another down-leg towards 1.2650 is still a distinct possibility.



1-3 MONTHS VIEW

Early September high of 1.3481 could mark the top of GBP/USD in 2020; GBP/USD could weaken to 1.2470. (dated 25 Sep 2020) [Read more](#)

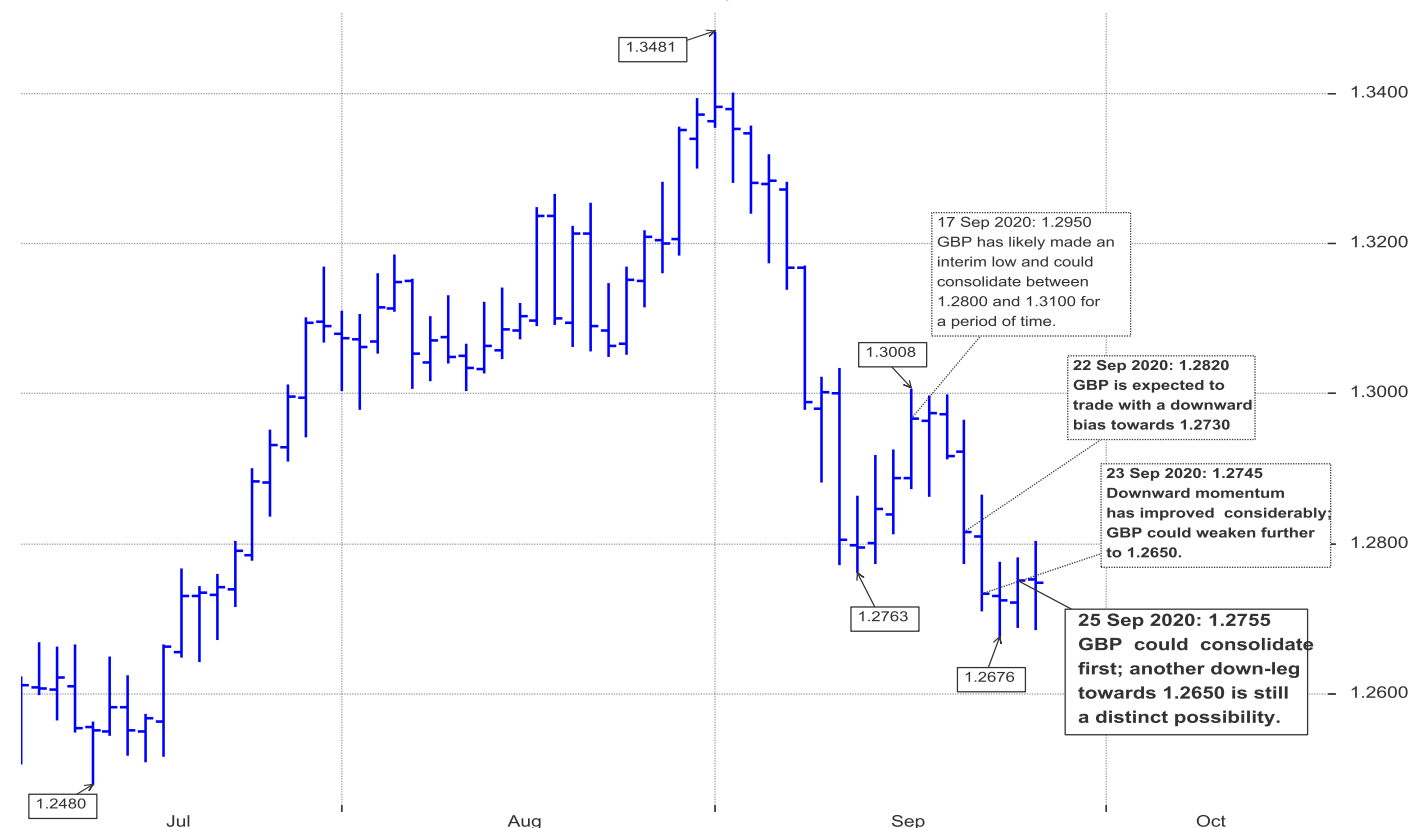


LEVELS

Support	Resistance	Ranges 25 Sep 20				Percentage change			
		Open	High	Low	Close	1D	1W	1M	YTD
S1: 1.2700 S2: 1.2650	R1: 1.2810 R2: 1.2830	1.2743	1.2805	1.2688	1.2741	-0.03%	-1.35%	-3.11%	-3.94%

Sep 25, 2020; 1.2747,

GBP/USD Daily Chart



Source: Refinitiv Datastream/UOB Global Economics & Market Research

AUD/USD: 0.7035



24-HOUR VIEW

AUD is likely to consolidate; likely not straying much out of Friday's range of 0.7006/0.7087.

Last Friday, we highlighted that AUD "could edge downwards but any weakness is viewed as a lower trading range of 0.7010/0.7085". We added, "a sustained decline below 0.7010 is unlikely". Our view was not wrong as AUD dropped to a low of 0.7006 before recovering. The combination of oversold conditions and waning momentum suggests further AUD weakness is unlikely. For today, AUD is more likely to consolidate, likely not straying much out of Friday's range of 0.7006/0.7087.



1-3 WEEKS VIEW

Negative phase in AUD has room to run but it could consolidate for a couple of days first. Next support is at 0.6970.

No change in view from last Friday, see reproduced update below. However, 'strong resistance' level has moved lower to 0.7140 from 0.7180.

We first turned negative AUD on Tuesday (see annotations in the chart below). Yesterday (24 Sep, spot at 0.7075), we noted that 0.7030 is a solid support and "a break of this level could potentially trigger further rapid decline". AUD subsequently cracked 0.7030 but it rebounded after touching a low of 0.7016. Slowing shorter-term momentum could lead to a couple of days of consolidation first. As long as the 'strong resistance' at 0.7180 is intact (no change in level from yesterday), the current negative phase still appears to have room to run. The next support is at 0.6970.



1-3 MONTHS VIEW

Break of "rising channel" indicates the outsized rally from March may have run its course; break of 0.7030 could trigger a deeper pull-back to 0.6900. (dated 25 Sep 2020) [Read More](#).

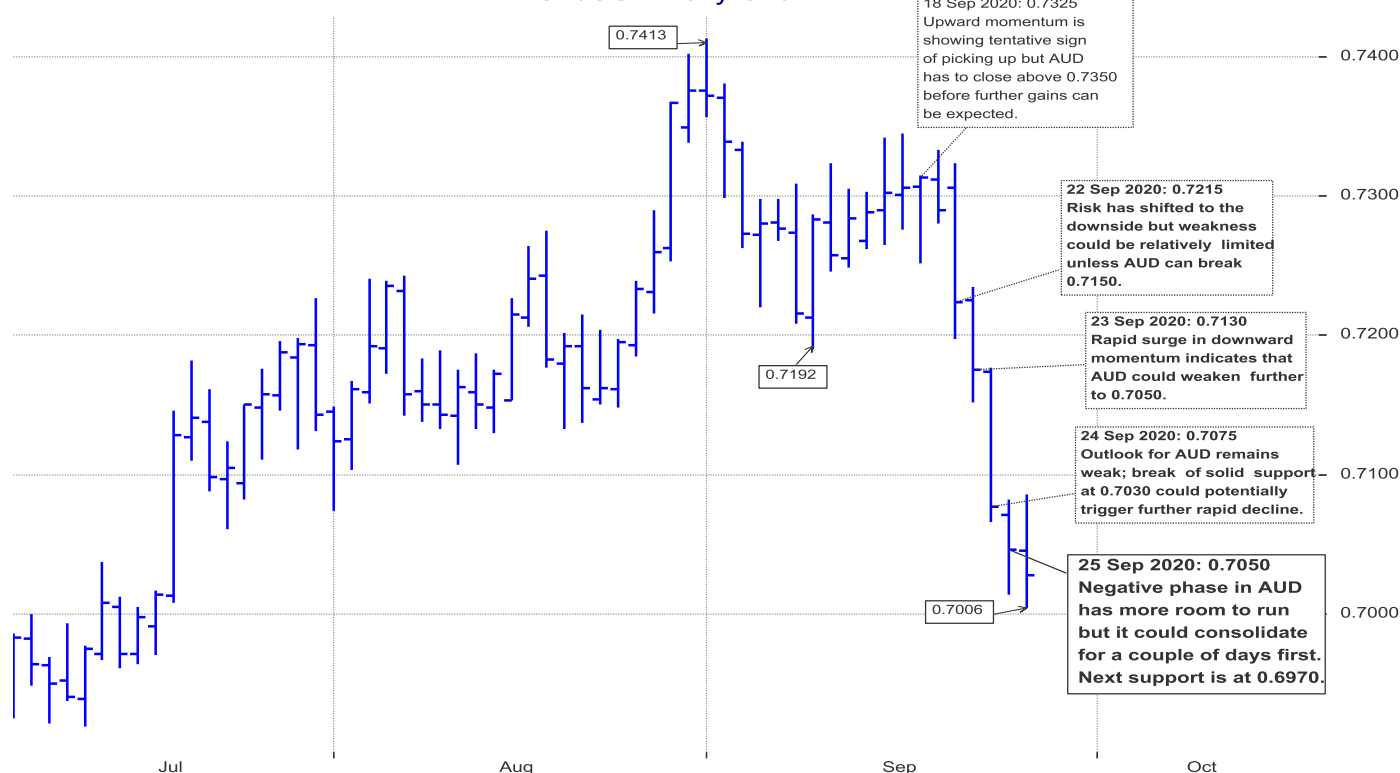


LEVELS

Support	Resistance	Ranges 25 Sep 20				Percentage change			
		Open	High	Low	Close	1D	1W	1M	YTD
S1: 0.7005 S2: 0.6970	R1: 0.7085 R2: 0.7140	0.7051	0.7087	0.7006	0.7028	-0.26%	-3.59%	-2.32%	+0.16%

Sep 25, 2020; 0.7028,

AUD/USD Daily Chart



Source: Refinitiv Datastream/UOB Global Economics & Market Research

NZD/USD: 0.6550



24-HOUR VIEW

NZD could consolidate further, expected to be within a 0.6525/0.6575 range.

We expected NZD to “consolidate and trade between 0.6520 and 0.6570 last Friday”. NZD subsequently traded at a higher range than expected (0.6528/0.6593) before closing largely unchanged at 0.6545 (-0.02%). Momentum indicators are mostly “neutral” and NZD could consolidate further. Expected range for today, 0.6525/0.6575.



1-3 WEEKS VIEW

NZD could consolidate first before pushing lower towards 0.6490.

We have held a negative view in NZD since early last week (see annotations in the chart below). In our latest narrative from last Thursday, we highlighted that the outlook for NZD remains weak and “the next level to focus on is at 0.6490”. There is no change to our view even though shorter-term momentum has slowed somewhat and 0.6490 may not come into the picture so soon. From here, NZD could consolidate for a couple of days first before pushing lower towards 0.6490. Only a break of 0.6610 (no change in ‘strong resistance’ level) would indicate that the current downward pressure has eased.



1-3 MONTHS VIEW

Barring a break of the solid resistance at 0.6800; pull-back in NZD/USD could extend to 0.6490, possibly as low as 0.6375. (dated 25 Sep 2020) [Read more](#)

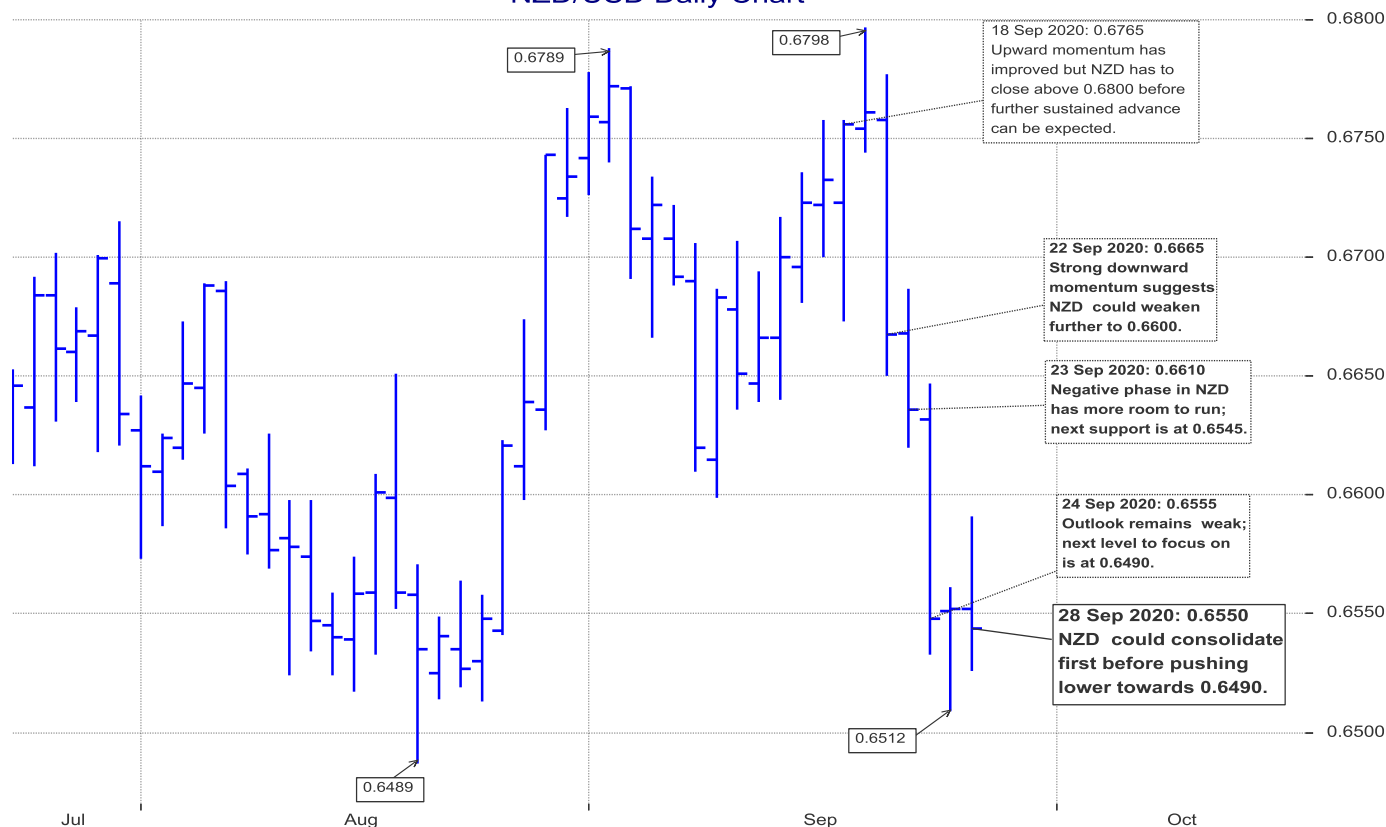


LEVELS

Support	Resistance	Ranges 25 Sep 20				Percentage change			
		Open	High	Low	Close	1D	1W	1M	YTD
S1: 0.6525 S2: 0.6490	R1: 0.6575 R2: 0.6610	0.6551	0.6593	0.6528	0.6545	-0.02%	-3.18%	-0.08%	-2.73%

Sep 25, 2020; 0.6544,

NZD/USD Daily Chart



Source: Refinitiv Datastream/UOB Global Economics & Market Research

USD/JPY: 105.45



24-HOUR VIEW

USD is expected to trade sideways, likely between 105.25 and 105.75.

USD traded between 105.22 and 105.69 last Friday, relatively close to our expected range of 105.25/105.75. The price actions offer no fresh clues and we continue to expect USD to trade sideways between 105.25 and 105.75.



1-3 WEEKS VIEW

USD is in a correction phase; a sustained advance is likely only if there is a clear break of 106.00.

No change in view from last Friday, see reproduced update below.

There is not much to add to our update from Wednesday (23 Sep, spot at 105.05). As highlighted, the recent negative phase has run its course and USD is in the early stages of a correction phase. There is room for USD to edge higher but any advance is viewed as part of 104.75/105.75 range (narrowed from 104.25/105.75 previously). While a move above 105.75 would not be surprising, USD has to break 106.00 before a sustained advance can be expected.



1-3 MONTHS VIEW

USD/JPY is trading in what appears to be a "falling channel" formation; could continue to edge lower in the coming months. (dated 25 Sep 2020) [Read more](#)

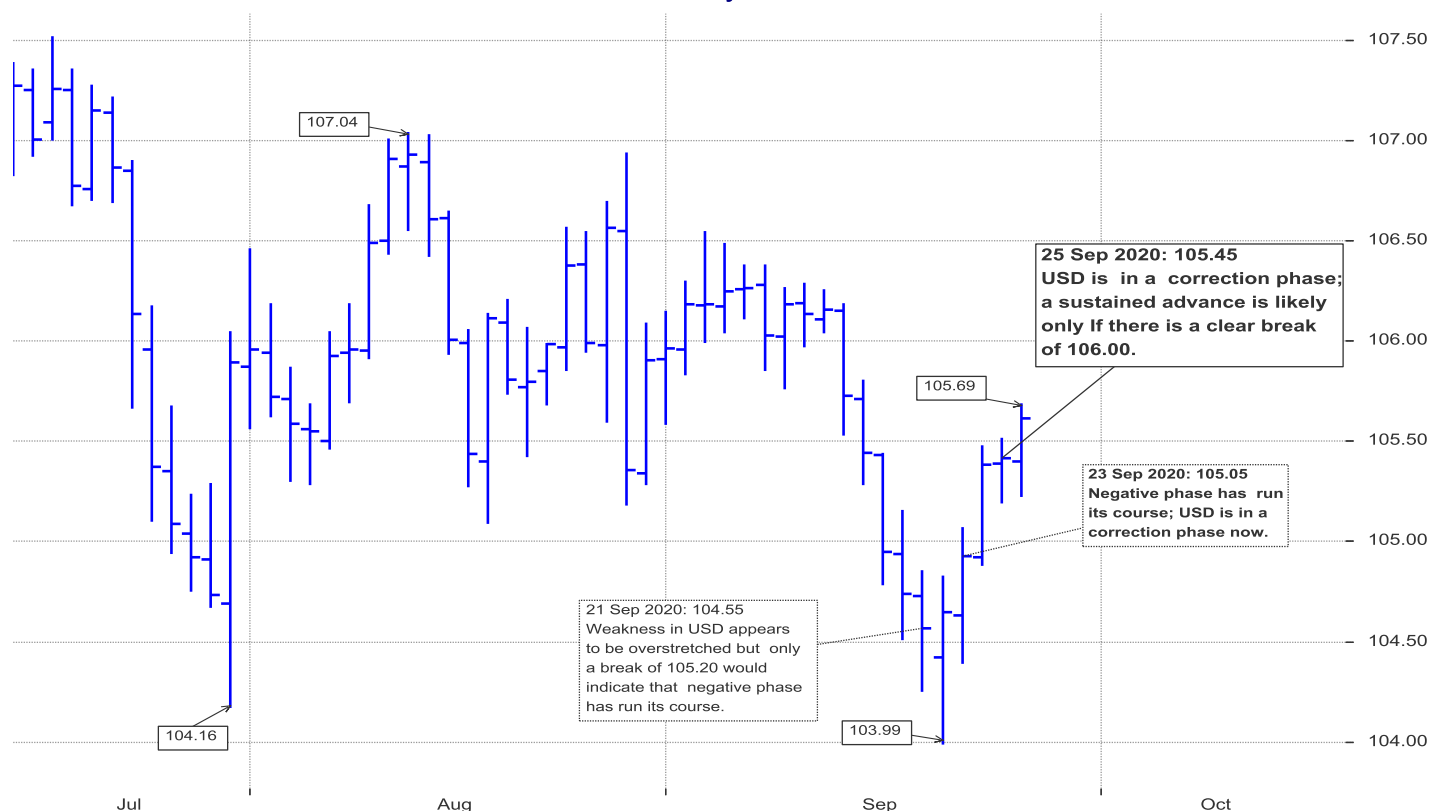


LEVELS

Support	Resistance	Ranges 25 Sep 20				Percentage change			
		Open	High	Low	Close	1D	1W	1M	YTD
S1: 105.25 S2: 104.75	R1: 105.75 R2: 106.00	105.41	105.69	105.22	105.60	+0.19%	+1.00%	-0.71%	-2.77%

Sep 25, 2020; 105.62

USD/JPY Daily Chart



Source: Refinitiv Datastream/UOB Global Economics & Market Research

USD/CNH: 6.8260



24-HOUR VIEW

USD is likely to trade sideways, expected to be between 6.8100 and 6.8400.

Last Friday, we expected USD to “trade sideways between 6.8000 and 6.8400”. USD subsequently traded within a narrower and slightly higher range than expected (6.8110/6.8448) before closing little changed at 6.8236 (-0.05%). Momentum indicators are mostly neutral and further sideways-trading would not be surprising, likely between 6.8100 and 6.8400.



1-3 WEEKS VIEW

Rebound in USD could extend to 6.8600.

No change in view from last Thursday (24 Sep), see reproduced update below.

Two days ago (22 Sep, spot at 6.7900), we highlighted that the “month-long negative phase has run its course”. We held view that the “rebound in USD has room to extend higher but any advance is viewed as part of a broad 6.7500/6.8300 range”. While our view was not wrong, the pace by which USD approaches 6.8300 was faster than expected (USD rose to an overnight high of 6.8283 before closing higher by +0.60%, its biggest 1-day gain in 2 months). The price actions suggest that the rebound could extend further towards 6.8600. At this stage, the odds for a sustained rise above this level are not high. On the downside, 6.8000 is a strong support but only a break of 6.7800 would indicate the current upward pressure has eased.



1-3 MONTHS VIEW

USD/CNH could weaken further but the next major support at 6.7165 may not come into the picture so soon. (dated 25 Sep 2020) [Read more](#)

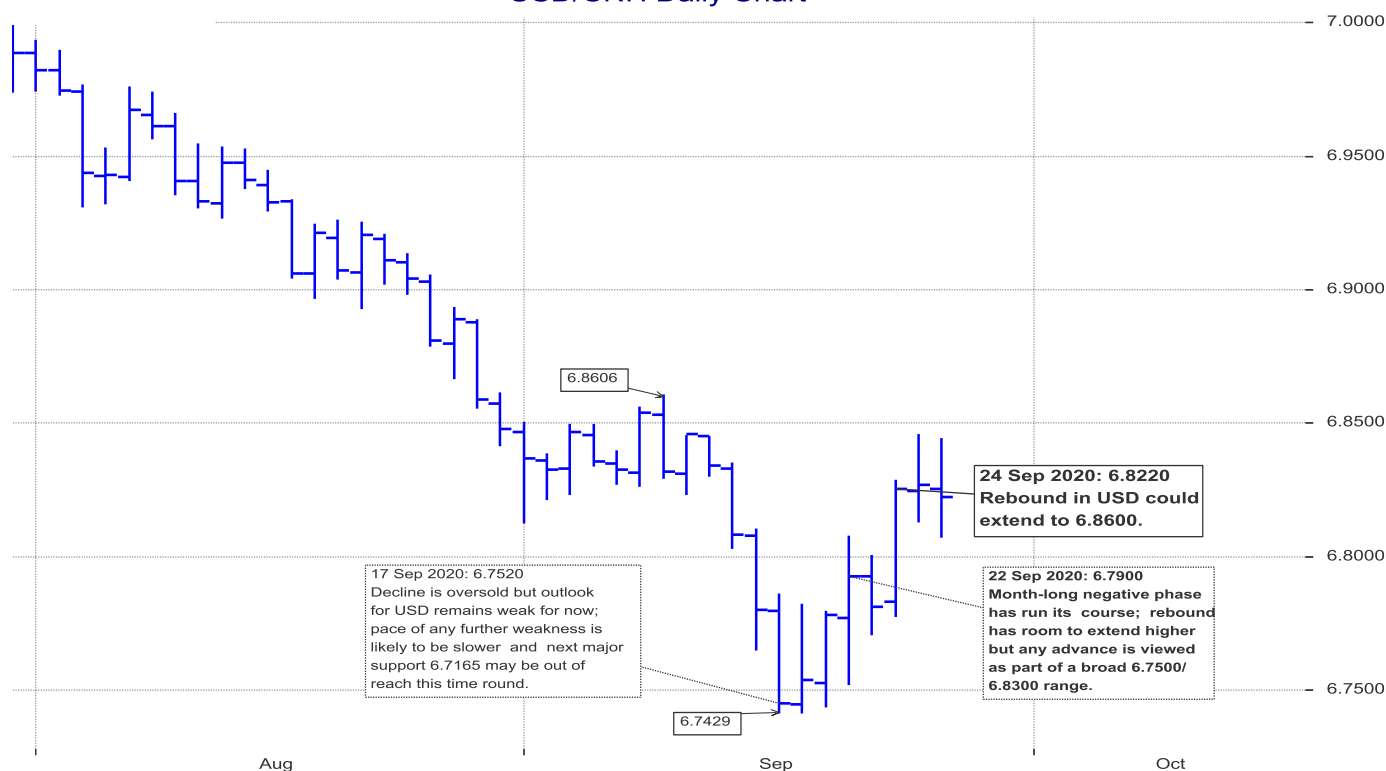


LEVELS

Support	Resistance	Ranges 25 Sep 20				Percentage change			
		Open	High	Low	Close	1D	1W	1M	YTD
S1: 6.8100 S2: 6.7800	R1: 6.8400 R2: 6.8600	6.8246	6.8448	6.8110	6.8236	-0.05%	+0.68%	-1.15%	-1.97%

Sep 25, 2020: 6.8223

USD/CNH Daily Chart



Source: Refinitiv Datastream/UOB Global Economics & Market Research

EUR/SGD: 1.6010



24-HOUR VIEW

Downward momentum has improved somewhat; EUR could drift lower to 1.5980.

Our expectation for EUR to “edge upwards towards 1.6080” was incorrect as it dropped to a low of 1.5997 before settling on a soft note at 1.6008 (-0.27%). Downward momentum has improved somewhat and this could lead to EUR drifting lower to 1.5980. The next support at 1.5950 is not expected to come into the picture. On the upside, a break of 1.6060 would indicate the current mild downward pressure has eased (minor resistance is at 1.6030).



1-3 WEEKS VIEW

Negative phase has ended; EUR is in a consolidation phase and is likely to trade between 1.5950 and 1.6150 for a period of time.

No change in view from last Friday, see reproduced update below.

We detected the weakness in EUR last Wednesday (16 Sep, spot at 1.6115) wherein we indicated that EUR “is under mild downward pressure”. As EUR weakens, in our latest narrative from Wednesday (23 Sep, spot at 1.5975), we indicated that “a break of 1.5920 could potentially lead to rapid drop to 1.5870”. However, EUR rebounded strongly after touching a low of 1.5943 and while our ‘strong resistance’ at 1.6065 is still intact (overnight high of 1.6060), downward momentum has waned considerably and the negative phase in EUR has likely ended. The current movement is viewed as the early stages of a consolidation and EUR could trade between 1.5950 and 1.6150 for a period of time.



1-3 MONTHS VIEW

EUR/SGD has likely moved into a “correction phase”; could weaken to the 1.5810/1.5870 support zone. (dated 25 Sep 2020) [Read more](#)

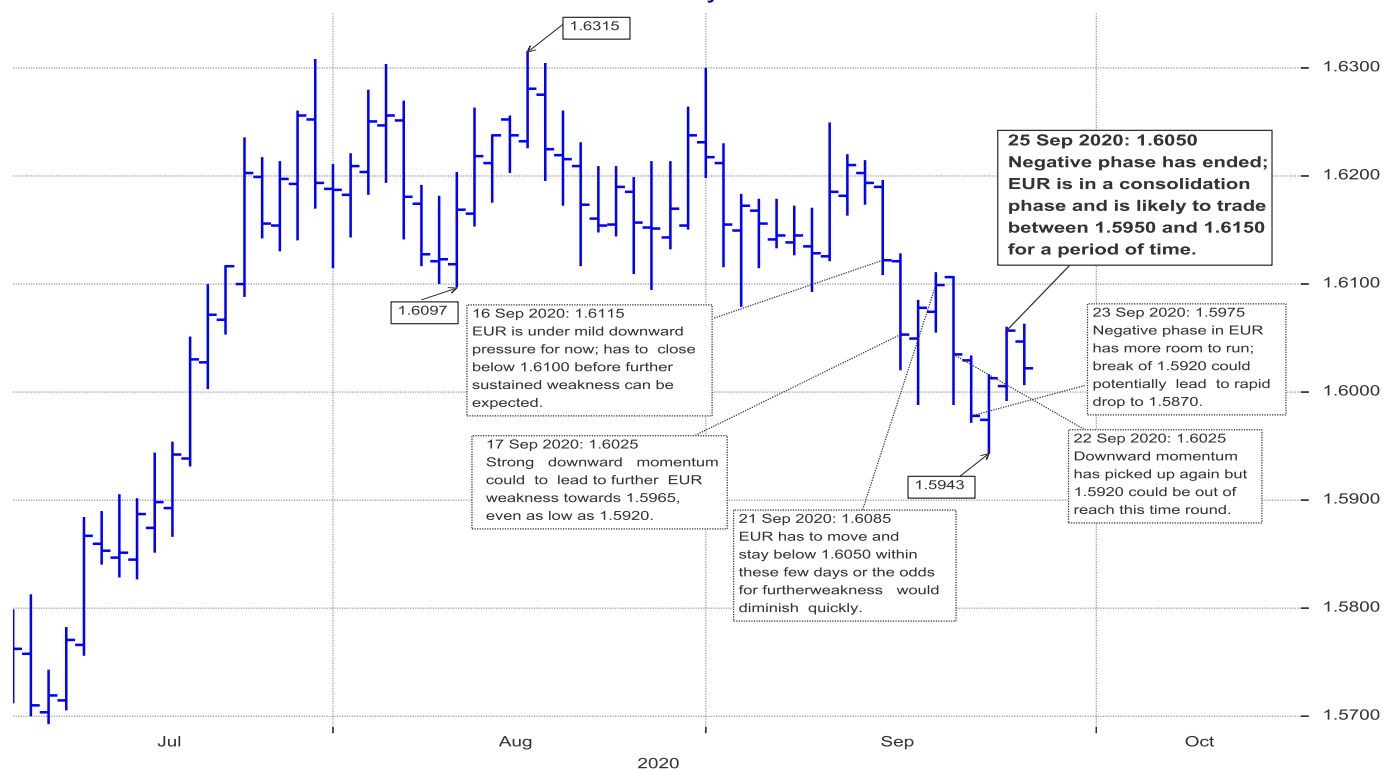


LEVELS

Support	Resistance	Ranges 25 Sep 20				Percentage change			
		Open	High	Low	Close	1D	1W	1M	YTD
S1: 1.5980 S2: 1.5950	R1: 1.6060 R2: 1.6150	1.6052	1.6063	1.5997	1.6008	-0.27%	-0.51%	-1.09%	+6.22%

Sep 25, 2020 1.6021,

EUR/SGD Daily Chart



Source: Refinitiv Datastream/UOB Global Economics & Market Research

GBP/SGD: 1.7565



24-HOUR VIEW

GBP could move above 1.7600 but next resistance at 1.7640 is unlikely to come into the picture.

Last Friday, we held the view that GBP “could edge higher but a clear break of 1.7600 is unlikely”. The subsequent GBP strength exceeded our expectation as it rose to a high of 1.7607 before easing off. Upward momentum has improved a tad but while GBP could move above 1.7600 again, the next resistance at 1.7640 is unlikely to come into the picture. Support is at 1.7520 followed by 1.7480.



1-3 WEEKS VIEW

Negative phase has ended; GBP is likely to trade between 1.7350 and 1.7700 for a period of time.

No change in view from last Friday, see reproduced update below.

We first detected the weakness in GBP more than 2 weeks ago on 08 Sep when GBP was trading at 1.7990 (see annotations in the chart below). We maintain our negative view and yesterday (24 Sep, spot at 1.7465), we indicated that the strong rebound has diminished the odds for further GBP weakness and that “a break of 1.7530 would indicate the negative phase has run its course”. GBP subsequently cracked 1.7530 and soared to a high of 1.7590. The price actions indicate that the negative phase has ended and the current movement is viewed as the early stages of a consolidation phase and GBP is likely to trade between 1.7350 and 1.7700 for a period of time.



1-3 MONTHS VIEW

GBP/SGD could weaken further but the major support at 1.7080 is likely out of reach (dated 25 Sep 2020) [Read more](#)

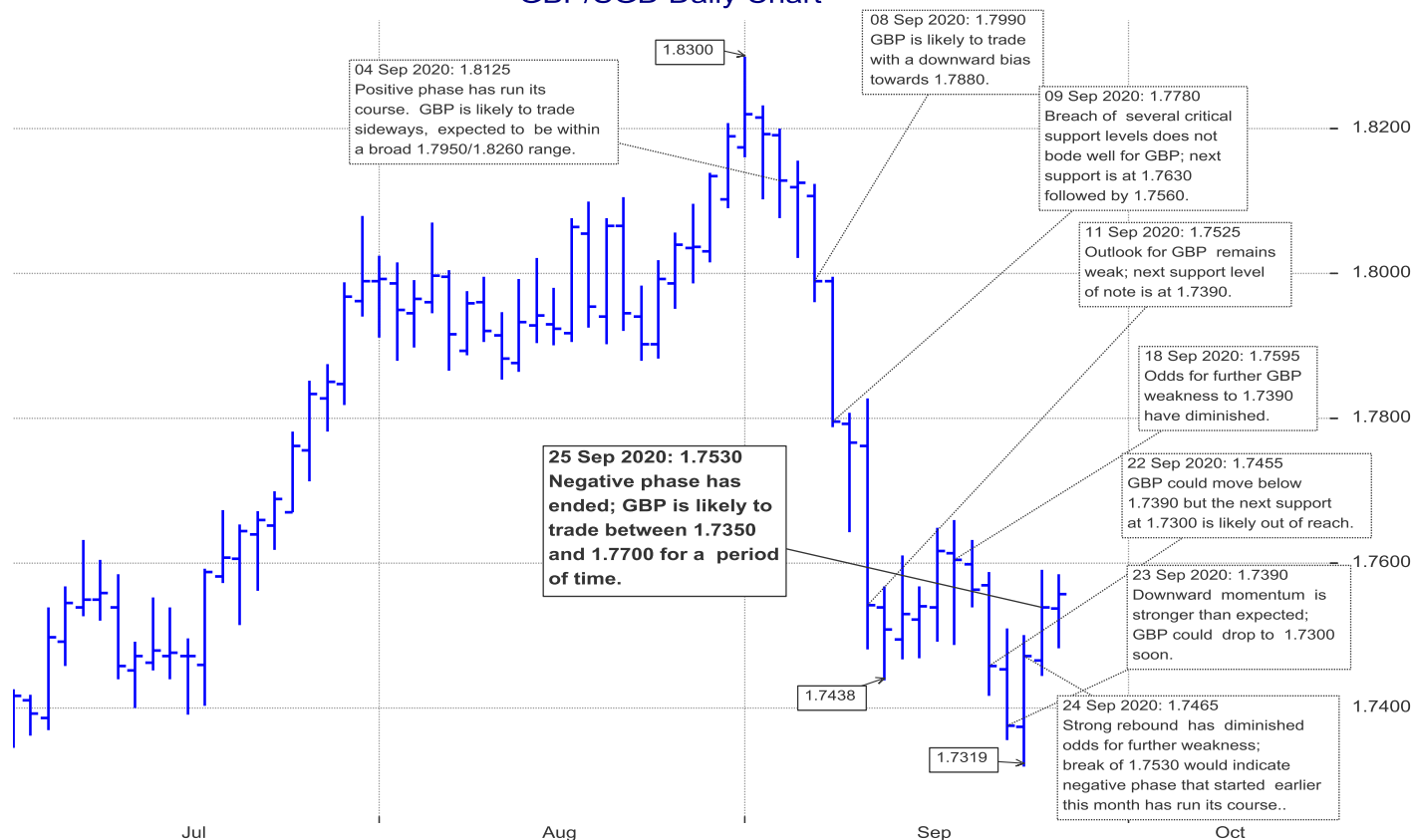


LEVELS

Support	Resistance	Ranges 25 Sep 20				Percentage change			
		Open	High	Low	Close	1D	1W	1M	YTD
S1: 1.7480 S2: 1.7350	R1: 1.7650 R2: 1.7700	1.7528	1.7607	1.7482	1.7581	+0.28%	+0.15%	-2.26%	-1.43%

Sep 25, 2020: 1.7557,

GBP/SGD Daily Chart



Source: Refinitiv Datastream/UOB Global Economics & Market Research

AUD/SGD: 0.9695

24-HOUR VIEW

AUD is likely to trade sideways, expected to be between 0.9670 and 0.9730.

We expected AUD to “consolidate and trade between 0.9675 and 0.9725” last Friday. However, it dipped to a low of 0.9658 before rebounding to end the day largely unchanged at 0.9680 (-0.08%). Downward momentum has hardly improved and AUD is unlikely to weaken much from here. Overall, AUD is more likely to trade sideways at these lower levels, expected to be between 0.9670 and 0.9730.

1-3 WEEKS VIEW

Outlook for AUD is still weak but 0.9650 may not come into the picture so soon.

No change in view from last Friday, see reproduced update below.

There is not much to add to our update from Wednesday (23 Sep, spot at 0.9750). As highlighted, the outlook for AUD remains weak and the next support is at 0.9650. While AUD dropped to a low of 0.9662 yesterday (24 Sep), shorter-term downward momentum has slowed and this could lead to a couple of days of consolidation first and 0.9650 may not come into the picture so soon. All in, the weak outlook for AUD remains intact as long as it does not move above 0.9790 (no change in ‘strong resistance’ level).

1-3 MONTHS VIEW

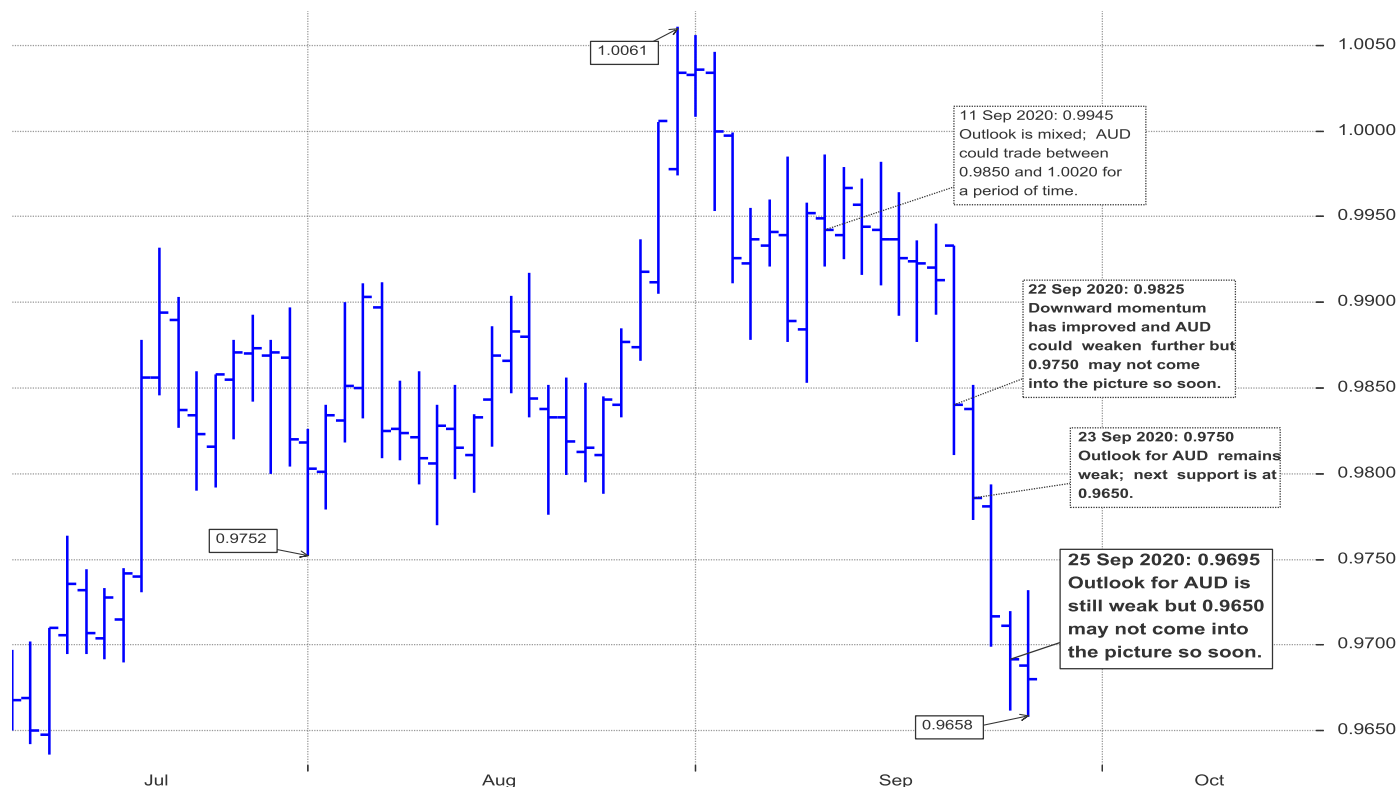
Late August peak of 1.0060 could be the top for the year but any pull-back in AUD/SGD is likely limited to a test of 0.9520. (dated 25 Sep 2020) [Read more](#)

LEVELS

Support	Resistance	Ranges 25 Sep 20				Percentage change			
		Open	High	Low	Close	1D	1W	1M	YTD
S1: 0.9670 S2: 0.9650	R1: 0.9730 R2: 0.9790	0.9699	0.9732	0.9658	0.9680	-0.08%	-2.30%	-1.63%	+2.55%

Sep 25, 2020: 0.9680

AUD/SGD Daily Chart



Source: Refinitiv Datastream/UOB Global Economics & Market Research

JPY/SGD: 1.3040



24-HOUR VIEW

JPY is likely to trade sideways, expected to be between 1.3010 and 1.3070.

JPY traded between 1.3019 and 1.3074 last Friday, higher than our expected range of 1.2990/1.3060. The quiet price actions offer no fresh clues and JPY could continue to trade sideways for today, expected to be between 1.3010 and 1.3070.



1-3 WEEKS VIEW

Still chance, albeit not a high one for JPY to push higher toward 1.3100.

No change in view from last Friday, see reproduced update below.

We have held a positive view in JPY since last week (see annotations in the chart below). While JPY strengthen as expected, it has not been able to crack the minor resistance at 1.3075. Upward momentum is beginning to slow but only a break of 1.2960 ('strong support' level previously at 1.2940) would indicate that the current upward pressure has eased. Until then, there is still chance, albeit not a high one for JPY to push higher toward 1.3100.



1-3 MONTHS VIEW

Outlook for JPY/SGD is mildly positive; could break above 1.3145 but premature to expect a move to the May's peak at 1.3415. (dated 25 Sep 2020) [Read more](#)

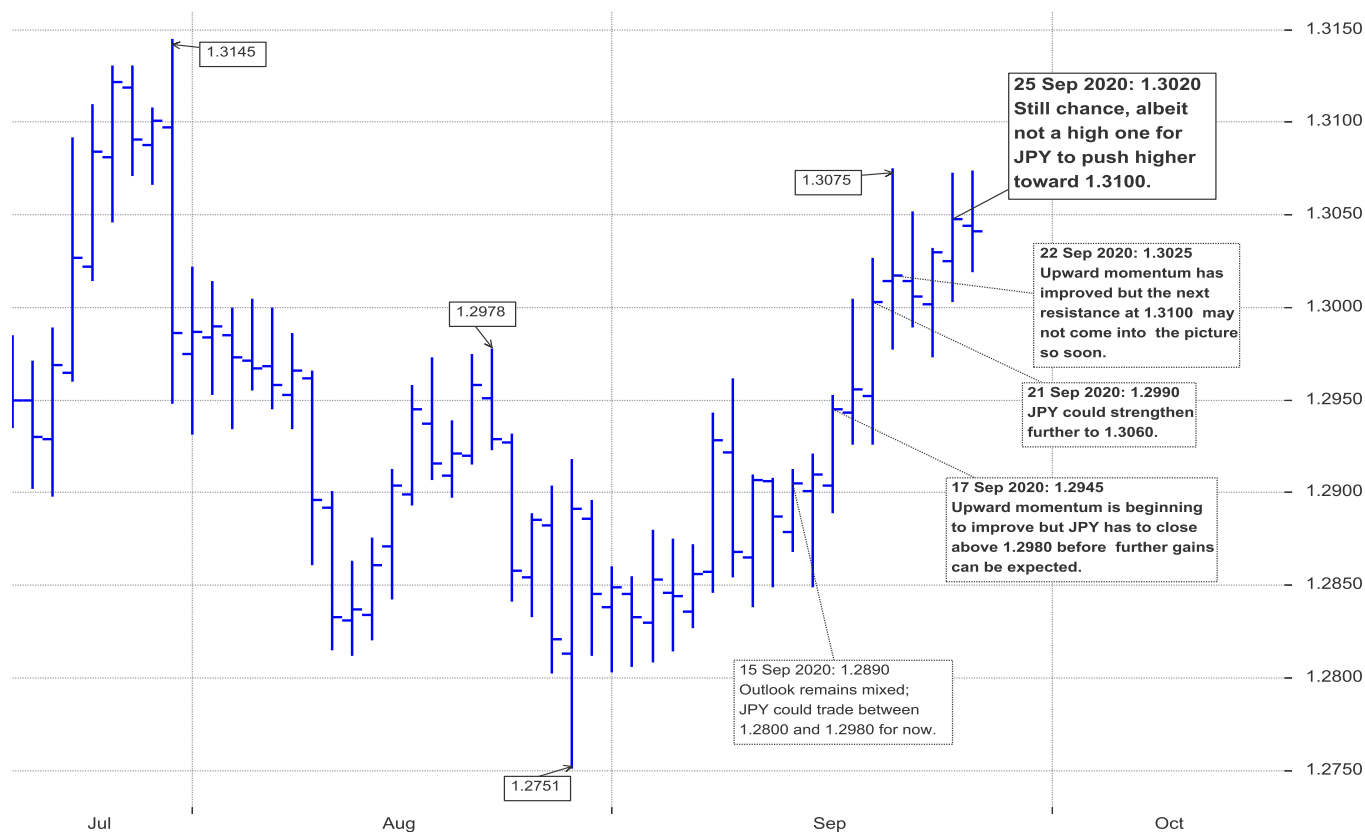


LEVELS

Support	Resistance	Ranges 25 Sep 20				Percentage change			
		Open	High	Low	Close	1D	1W	1M	YTD
S1: 1.3010 S2: 1.2960	R1: 1.3070 R2: 1.3100	1.3046	1.3074	1.3019	1.3051	+0.05%	+0.43%	+1.53%	+5.46%

Sep 25, 2020: 1.3041,

JPY/SGD Daily Chart



Source: Refinitiv Datastream/UOB Global Economics & Market Research

UOB FX & Interest Rate Outlook

FX Outlook	4Q20	1Q21	3Q21	3Q21	Rates Outlook	4Q20	1Q21	3Q21	3Q21
EUR/USD	1.18	1.19	1.20	1.20	EU	0.00%	0.00%	0.00%	0.00%
GBP/USD	1.25	1.27	1.29	1.29	UK	0.10%	0.10%	0.10%	0.10%
AUD/USD	0.72	0.73	0.74	0.74	AU	0.25%	0.25%	0.25%	0.25%
NZD/USD	0.67	0.68	0.69	0.69	NZ	0.25%	0.25%	0.25%	0.25%
USD/JPY	104	103	102	102	JP	-0.10%	-0.10%	-0.10%	-0.10%
USD/SGD	1.36	1.35	1.34	1.34	SG (3M SOR)	0.25%	0.25%	0.25%	0.25%
USD/MYR	4.12	4.08	4.05	4.05	MY	1.75%	1.75%	1.75%	1.75%
USD/THB	31.00	31.30	31.50	31.50	TH	0.50%	0.50%	0.50%	0.50%
USD/CNY	6.70	6.65	6.60	6.60	CN	3.85%	3.85%	3.85%	3.85%
USD/IDR	14,900	14,800	14,700	14,500	ID	3.75%	3.50%	3.50%	3.50%
USD/PHP	48.20	47.90	47.50	47.50	PH	2.25%	2.25%	2.25%	2.25%
USD/INR	74.00	74.50	75.00	75.50	IN	3.50%	3.50%	3.50%	3.50%
USD/TWD	28.80	28.50	28.30	28.30	TW	1.125%	1.125%	1.125%	1.125%
USD/HKD	7.75	7.78	7.80	7.80	HK	0.50%	0.50%	0.50%	0.50%
USD/KRW	1,160	1,150	1,140	1,140	KR	0.50%	0.50%	0.50%	0.50%
					US	0.25%	0.25%	0.25%	0.25%

Last updated on 25 Sep 20: [A New Beginning or Déjà vu?](#)

Central Bank Meetings 2020

Central Bank	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Federal Reserve (FOMC)	29	-	18*	29	1	10*	29	-	16*	-	05	16*
European Central Bank (ECB)	23	-	12	30	-	04	16	-	10	29	-	10
Bank of England (BOE)	30#	-	26	-	07#	18	-	06#	17	-	05#	17
Reserve Bank of Australia (RBA)	-	04	03	07	1	02	07	04	01	06	03	01
Reserve Bank of New Zealand (RBNZ)	-	12^	25	-	13^	24	-	12^	23	-	11^	-
Bank of Japan (BOJ)	21**	-	19	27**	-	16	15**	-	17	29**	-	18**
Monetary Authority of Singapore (MAS)	-	-	30	-	-	-	-	-	-	tba	-	-
Bank Negara Malaysia (BNM)	22	-	03	-	05	-	07	-	10	-	03	-
Bank of Thailand (BOT)	-	05	25	-	20	24	-	05	23	-	18	23
Bank Indonesia (BI)	23	20	19	14	19	18	16	19	17	24	21	19
Bangko Sentral ng Pilipinas (BSP)	-	06	19	16	-	25	-	20	-	01	19	17
Bank of Korea (BOK)	17	27	-	09	28	-	16	27	-	14	26	-
Taiwan Central Bank (CBC)	-	-	19	-	-	18	-	-	17	-	-	17
Reserve Bank of India (RBI)	-	06	27	-	-	-	-	06	-	01	-	04

*Meetings associated with a Summary of Economic Projections.

#Meetings associated with release of Monetary Policy Report.

^Meetings associated with release of Monetary Policy Statement.

**Meetings associated with release of Outlook Report.

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