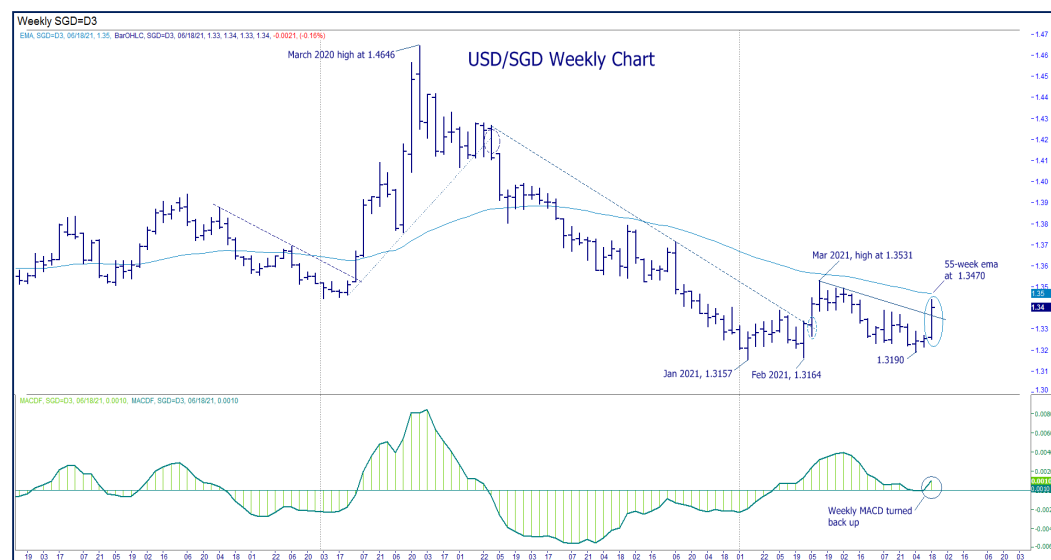


FX Technicals

USD/SGD: 1.3410

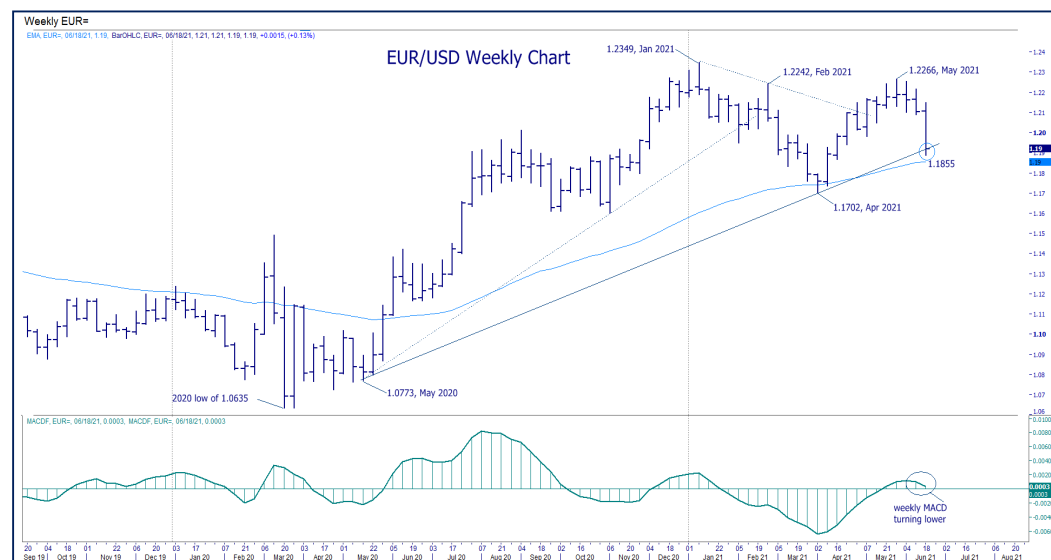
Risk for Q3 is clearly on the upside; what is less clear is whether the anticipated advance in USD/SGD has enough momentum to rise above the March's high near 1.3530.



At the time of writing in mid-June, USD/SGD surged and cracked the strong declining trend-line resistance at 1.3390. While the breach of the trend-line suggests further USD/SGD strength, it has to close above 1.3470 (55-week exponential moving average) before an advance towards the March's high near 1.3530 can be expected. Overall, with weekly MACD turning back up, the risk for Q3 is clearly on the upside. What is less clear is whether the anticipated advance in USD/SGD has enough momentum to rise beyond 1.3530. On the downside, a break of 1.3280 would indicate that the upside risk has dissipated.

EUR/USD: 1.1920

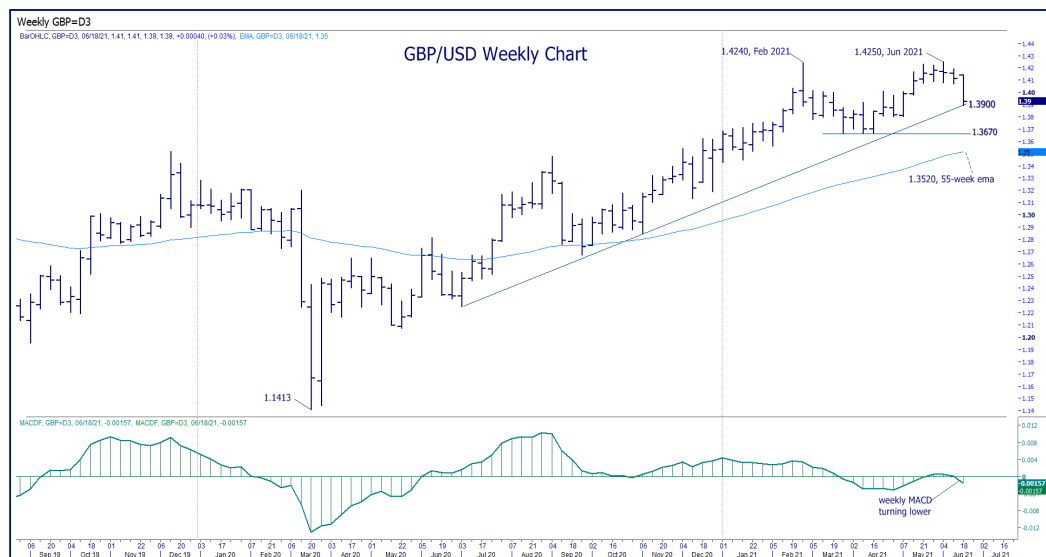
EUR/USD is likely to break 1.1855; April's low near 1.1700 could be out of reach within Q3.



After rebounding strongly in early April, EUR/USD struggled to extend its gains as it failed to maintain a foothold above the resistance at 1.2240 (EUR/USD touched 1.2266 in late May). At the time of writing in mid-June, EUR/USD plunged and cracked the year-long trend-line at 1.1920. The breach of the trend-line has shifted the focus to the next major support at 1.1855 (55-week exponential moving average). Weekly MACD is turning lower and the prospect for a break of 1.1855 is quite high. However, the April's low near 1.1700 could be out of reach within the third quarter of this year.

GBP/USD: 1.3930

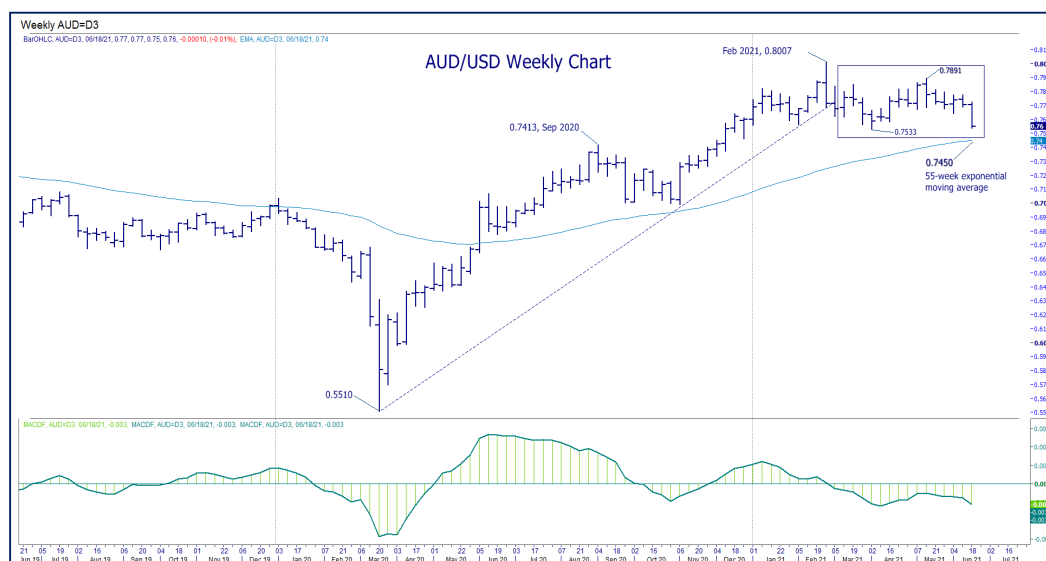
Risk for GBP/USD is on the downside but the odds for a sustained decline below 1.3670 are not high.



GBP/USD rebounded after failing to breach the major support at 1.3670 in Q2. However, the rebound was lacking in momentum and while GBP/USD edged above the February's top of 1.4240, it was unable to maintain a foothold above this level (high of 1.4250 in early June). At the time of writing in mid-June, GBP/USD dropped sharply and tested the rising trend-line support at 1.3900. With weekly MACD turning lower, a clear break of 1.3900 would not be surprising. While the risk is on the downside, it appears unlikely that GBP/USD is able to maintain the pace of decline and the odds for a sustained drop below 1.3670 are not high. The next support at 1.3520 (55-week exponential moving average) is not expected to come into the picture within Q3.

AUD/USD: 0.7555

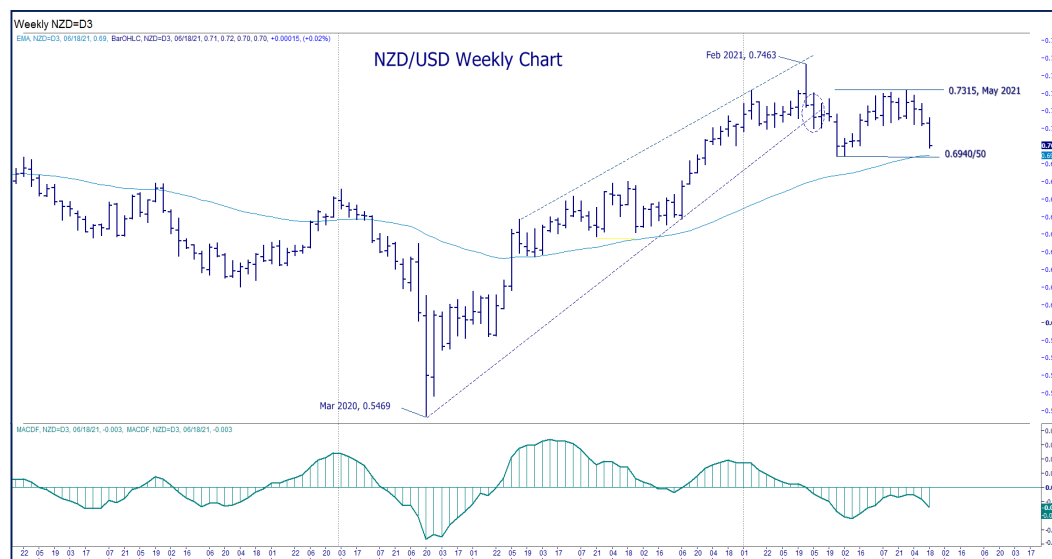
AUD/USD is expected to head lower in Q3; a weekly closing below the 55-week exponential moving average could trigger a rapid drop to 0.7300.



AUD/USD traded sideways and in a relatively quiet manner within a 0.7533/0.7891 range for most of Q2. At the time of writing in mid-June, AUD/USD is approaching the bottom of the range. While downward momentum has not improved by all that much, a break of the bottom of the range is expected to lead to a decline towards 0.7450 (55-week exponential moving average). The moving average is a solid support and if AUD/USD closes below this support, it could potentially trigger a sharp drop to 0.7300. On the upside, a move back above 0.7750 would indicate that AUD/USD is not ready to head lower in Q3.

NZD/USD: 0.7010

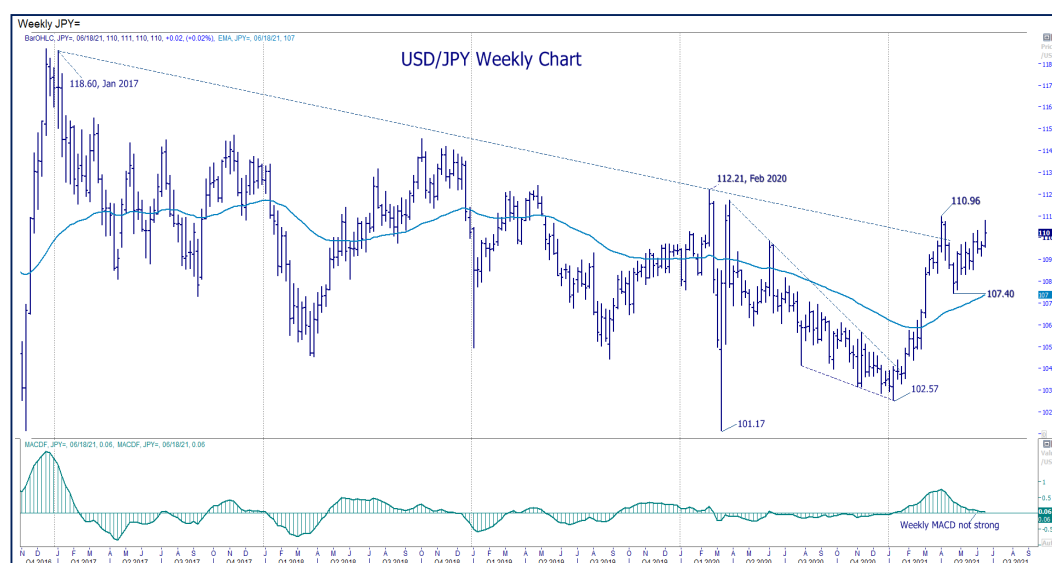
A break of 0.6940 appears imminent and would suggest that NZD/USD could drop to the next major support at 0.6870.



NZD/USD dropped to 0.6940 in late March before rebounding. The rebound tried but was unable to maintain a foothold above 0.7300 (high of 0.7315 in late May). The pullback from the high has gathered considerable pace and a break of the support at 0.6940 appears imminent. This support has added significance as the 55-week exponential moving average is around the same level. A break of this solid support would suggest that NZD/USD could drop to the next major support at 0.6870. Resistance is at 0.7100 but only a break of 0.7160 would indicate that NZD/USD is not ready to break the major support at 0.6940/50.

USD/JPY: 110.30

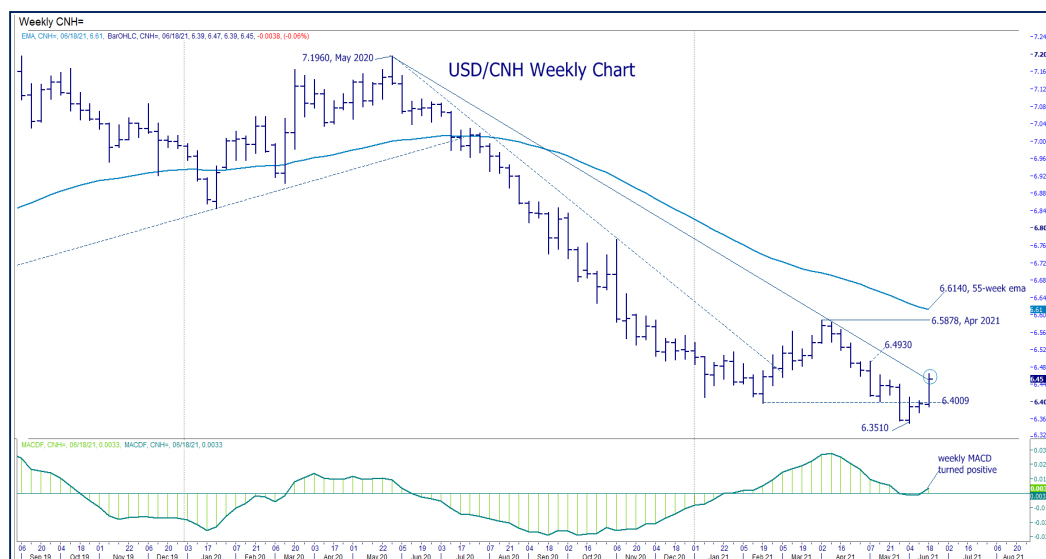
USD/JPY is likely to break 110.96; the February 2020 high near 112.20 may not come into the picture.



USD/JPY soared to a 2021 high of 110.96 in late March but the advance was short-lived as it pulled back sharply to 107.40. While the subsequent rebound from 107.40 was patchy, upward momentum is beginning to improve even though it is not strong for now. Going into the third quarter of the year, a break of 110.96 appears likely. In view of the lackluster momentum, the February 2020 high near 112.20 may not come into the picture. Support is at 109.00 followed by the major level at 107.40. The major level is likely 'safe' in Q3.

USD/CNH: 6.4500

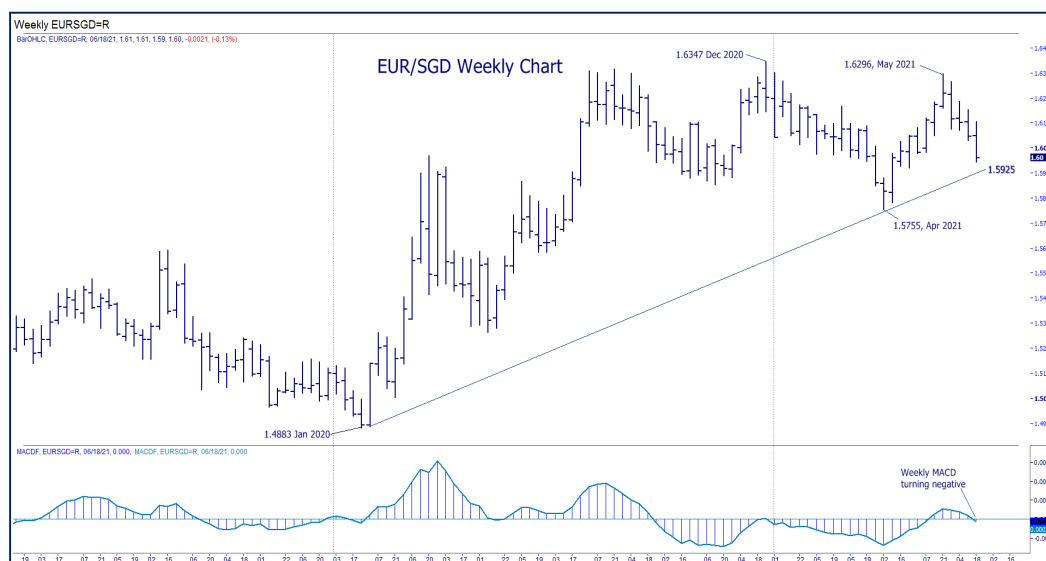
USD/CNH is expected to head higher; if it can surmount 6.4930, the odds for an advance to 6.5880 would increase considerably.



At the time of writing in mid-June, USD/CNH just cracked a year-long declining trend-line. The break of the trend-line coupled with weekly MACD crossing into positive territory suggests USD/CNH is likely to head higher in Q3. The next resistance is at 6.4930 and if USD/CNH can surmount this level, the odds for an advance to the April's high near 6.5880 would increase considerably. Support is near 6.4000 followed by the year-to-date low at 6.3510.

EUR/SGD: 1.5990

Bias for EUR/SGD is on the downside but April's low at 1.5755 could be out of reach within Q3.



EUR/SGD dropped to 1.5755 in early April but the decline was short-lived as it staged a sharp and strong rebound. However, EUR/SGD was unable to hold on to its gains as it pulled back after touching 1.6296 in late May. The pullback has gathered considerable momentum and with weekly MACD turning negative, the bias for EUR/SGD in Q3 is on the downside. Barring a move above 1.6150, a break of the rising trend-line at 1.5925 would not be surprising. However, the April's low at 1.5755 could be out of reach within Q3.

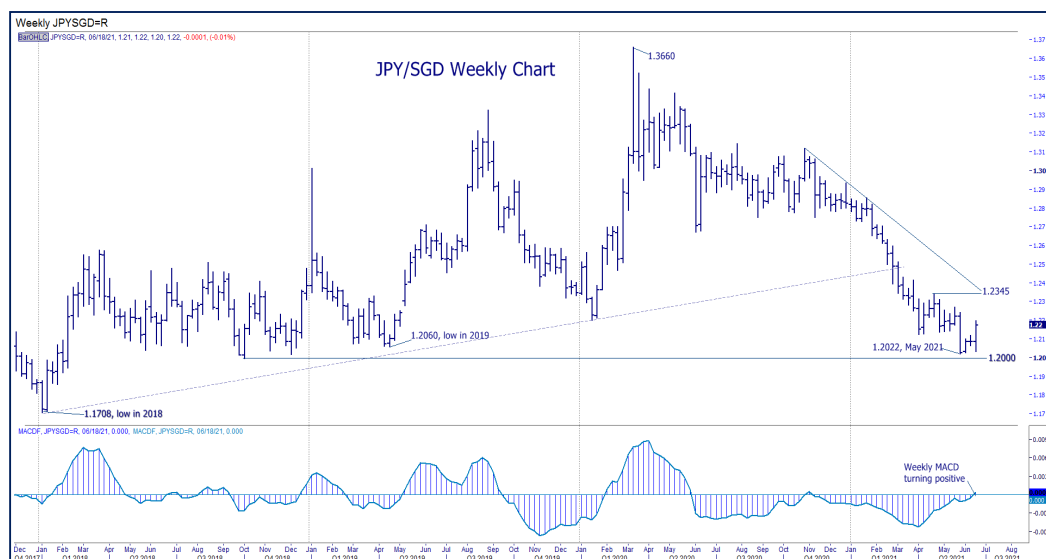


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JPY/SGD: 1.2170

JPY/SGD is likely to trade between the two major levels of 1.2020 and 1.2345.



After dropping sharply to 1.2022 in late May, JPY/SGD was unable to make any headway on the downside as it traded sideways for a few weeks. While the price actions were not exactly surprising as 1.2000 is a major long-term support (low in Oct 2018), the sharp bounce in mid-June was not expected. Weekly MACD is turning positive and the chance of JPY/SGD breaking 1.2000 has diminished considerably. That said, it is too soon to expect a major reversal. For the third quarter of the year, JPY is likely to trade between the two major levels of 1.2020 and 1.2345.