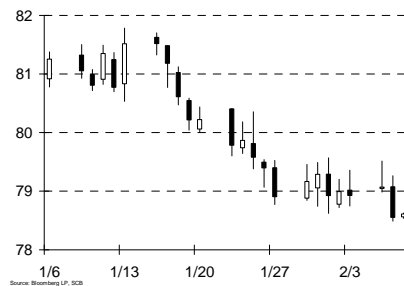


## FX Daily Commentary 8 February 2012

### Euro near two months high

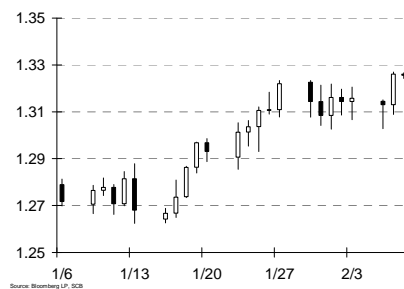
#### Dollar Index<sup>1</sup>



**Trend** - Dollar Index slumped as investors are optimistic that Greece will be rescued. The improvement in risk appetite triggered the rebound of U.S. and Europe equities. USD traded lower on reduced demand. The strong U.S. job report eased the concern over a slowing economy, which is also USD negative. Dollar index fell to the lowest since 9 Dec and near-term movement will depend on development in Euro debt as well as overall investment market.

**Technical** – Dollar index lost the support at 100 days M.A. (78.74) with next one at 30 Nov low (77.92).

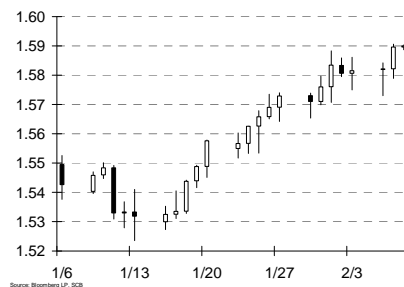
#### EUR/USD



**Trend** - Euro was the best performed currency and rose to the highest in near two months. The catalyst for yesterday's rally is the increasing confidence that Greece will avoid default. European equities recovered most of the early loss while Euro rose near 200 pips from the lowest point. It all suggested a strong momentum in Europe related investment. Investors, however, should be reminded that Greek debt talks remain a risk and delay in resolution may pose threat to Euro as well as the overall investment market.

**Technical** - EUR/USD resistant level is at 100 days M.A. (1.3335) with support at yesterday low (1.3089).

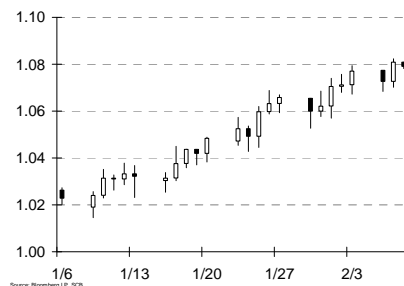
#### GBP/USD



**Trend** – GBP followed the uptrend of Euro but gain only about half the magnitude of Euro. The reason of under-performance may be due to the speculation that Bank of England will expand asset purchase target. While the move is expected to help the economy, it will inevitably bring pressure to GBP. UK will report industrial and manufacturing production data tomorrow, which will reflect the latest situation.

**Technical** - GBP/USD may be able to test the resistant level at 200 days M.A. (1.5938) with support level at yesterday low (1.5789).

#### AUD/USD



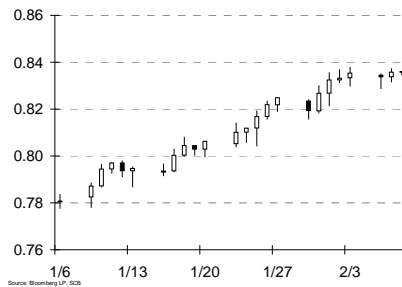
**Trend** – AUD recovered all of loss of Monday. While Reserve Bank of Australia surprised the market with rate hold, AUD rose to the highest in 6 months above 1.08USD. There are numbers of negative factors hovering AUD. The weak job report, potential rate cut and huge accumulated gain may bring pressure to AUD at later stage. However, we may be able to see higher AUD in near-term, given the relative bullish market sentiment.

**Technical** - AUD/USD resistant level is now at July high (1.1081) with support at yesterday low (1.0702).

<sup>1</sup> Dollar Index average the exchange rates of 6 major world currencies (EUR 57.6%, JPY 13.6%, GBP 11.9% CAD 9.1% SEK 4.2% and CHF 3.6%)

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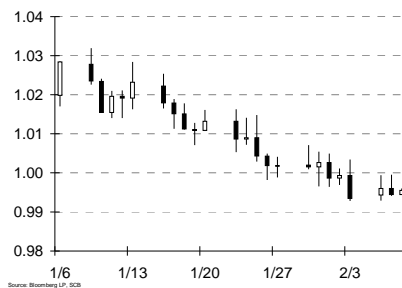
### NZD/USD



**Trend** – NZD traded higher but the rally was only about one-third of AUD. While AUD benefit from the rate hold decision by RBA, NZD also capped by the huge gain accumulated since 2012. The positive rate outlook and strong data are expected to support NZD. We may see NZD repeat the strong performance in 2009 or even test the high of last Aug if global central banks ease further.

**Technical** - NZD/USD resistant level is now at 31 Aug high (0.8573) with support at Monday low (0.8286).

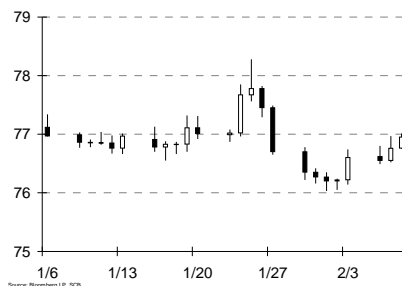
### USD/CAD



**Trend** – Both CAD and crude oil traded higher yesterday. While NY crude oil gained 1.5%, CAD rose less than 0.2%. The worst performance in commodity currencies was probably due to fundamental weakness. The surge in Jan unemployment rate suggested challenging economy environment. We will have housing starts today, which will hint on the healthy of Canadian housing market. CAD may continue the under-performance before significant improvement in fundamentals.

**Technical** - USD/CAD support level is at Oct low (0.9892) with stronger support at Sep low (0.9737)

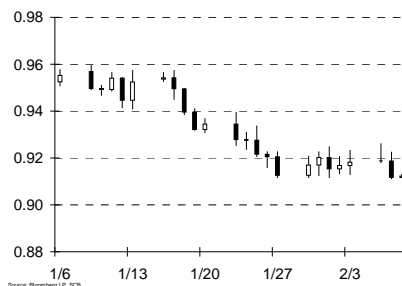
### USD/JPY



**Trend** – JPY suffered yesterday on improved sentiment as equities from Europe to U.S. rebounded from low levels. The overall movement remains within narrow range as USD/JPY only moved 45 pips yesterday. While the outlook will depends on market performance, there is risk of intervention on further JPY strength. USD may be able to test 77 JPY or even Jan high (78.28) in near-term.

**Technical** - USD/JPY resistant level is at 50 days M.A. (77.28) with support at 1 Feb low (76.03).

### USD/CHF



**Trend** –CHF rebounded yesterday after fell in previous three days. As all eyes are on Europe, it was no surprise that CHF under-performed Euro yesterday. As CHF is now linked with EUR, the volatility may main comes from fundamentals. Swiss will report Jan unemployment rate today with expectation of a surge to 3.5%.

**Technical** - USD/CHF support level is now at 30 Nov low (0.9066) with resistant level at 50 days M.A. (0.9332).

## FX Daily Commentary 8 February 2012

### Performance Recap

Source: Bloomberg LP, All High & Low Prices are including Intraday Data.

	Latest Price	Last Day Close	Chg	Chg %	14 D RSI	5 D %	1 M %	YTD %	52 W High	52 W High Date	52 W Low	52 W Low Date	3 Yr Govt. Yield	Yield Spread
EUR/USD	1.3255	1.3261	0.0131	1.00%	61.9	0.71	3.84	2.27	1.4940	5/4/2011	1.2624	1/13/2012	0.419	-0.07
GBP/USD	1.5900	1.5896	0.0075	0.47%	69.8	0.42	2.86	2.30	1.6747	4/28/2011	1.5235	1/13/2012	0.598	-0.25
AUD/USD	1.0791	1.0809	0.0083	0.77%	70.9	0.80	5.38	5.70	1.1081	7/27/2011	0.9388	10/4/2011	3.497	-3.15
HKD/USD	0.8359	0.8358	0.0021	0.25%	76.0	0.42	6.19	7.55	0.8843	8/1/2011	0.7118	3/17/2011	2.843	-2.50
USD/CAD	0.9955	0.9944	-0.0016	-0.16%	35.3	0.31	2.81	2.59	1.0658	10/4/2011	0.9407	7/26/2011	1.099	-0.75
USD/JPY	76.95	76.76	0.21	0.27%	50.9	-0.97	-0.12	-0.05	85.53	4/6/2011	75.35	10/31/2011	0.192	0.15
USD/CHF	0.9123	0.9117	-0.0070	-0.76%	37.0	0.33	4.09	2.83	0.9776	2/11/2011	0.7071	8/9/2011	0.064	0.28
Dollar Index	78.61	78.55	-0.52	-0.65%	36.6	-0.40	-3.26	-1.96	81.78	1/13/2012	72.70	5/4/2011	0.347	N/A

### Forecast Daily Trading Range

Dollar Index	78.40 / 78.90	NZD/USD	0.8320 / 0.8370
EUR/USD	1.3200 / 1.3280	USD/CAD	0.9930 / 0.9980
GBP/USD	1.5850 / 1.5930	USD/JPY	76.70 / 77.10
AUD/USD	1.0760 / 1.0820	USD/CHF	0.9090 / 0.9150

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