

## Revamping Notice - Daily Forex Commentary

Starting from 24 September 2012, our Daily Forex Commentary ("this report") will be revamped and renamed as **FX & Gold Daily Express** (the "new report" is available in the **Chinese language only**). Contents of the new report will be enriched, covering global investment market trends and technical analysis on major currencies and gold, with bulletin of influential financial and economic data/ figures provided. The new report will enable you to keep abreast of the market and grasp investment opportunities at ease.

Customers who registered to receive this report via e-Market News will receive the new report automatically from the date mentioned above.

Latest FX market and product information at a glance on [hangseng.com/fx](http://hangseng.com/fx) ("FX Investment Info Site")

You can also visit our FX Investment Site to view daily FX/gold market highlights and video commentaries by professionals on the FX/gold market. This site also contains information about our latest promotion offers, exchange rates and interest rates for your reference.

**FX Investment Services**

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Product Information
Market Commentary
Rates
Calendars/References

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Investors should note that all investment involves risks. Prices of investment products may go up as well as down and may even become valueless. Investors should not only base on this marketing material alone to make any investment decision, but should read in detail the offering documents and the Risk Disclosure Statement of the relevant investment products.

**29 Aug 2012** » Details » Latest Rates and Charts

Currency	Today's view	Market Trend
<b>AUD</b>	<b>Neutral</b>	Market is anticipating that the Fed may launch QE3. Maintain our recommendation of longing Aussie at 1.02 dollar

Key Economic Figures & Event		Technical Indicators		Performance*			
Date	Event	AUD/HKD	AUD/USD	AUD/HKD	AUD/USD		
2012/08/29 (Wed) 20:30	US GDP QoQ (Annualized) 2Q S	Resistance 2	8.2329	1.0615	1 week	-621 bps	-79 bps
2012/08/2 (Wed) 20:30	US Personal Consumption 2Q S	Resistance 1	8.1825	1.0550	2 weeks	-910 bps	-116 bps
2012/08/29 (Wed) 20:30	US GDP Price Index 2Q S	Reference Spot	8.0346	1.0359	1 month	-971 bps	-124 bps
2012/08/29 (Wed) 20:30	US Core PCE QoQ 2Q S	Support 1	7.9731	1.0280	2 months	+935 bps	+121 bps
2012/08/29 (Wed) 22:00	US Pending Home Sales Jul	Support 2	7.9265	1.0220	<b>Daily Range*</b>		-0.13%
2012/08/30 (Thu) 02:00	US Fed's Beige Book						
2012/08/30 (Thu) 09:30	Australia Building Approvals Jul						

**AUD/HKD 3-month Reference Chart**

**Exchange Rate Premium**

HKD/AUD  
up to **50** bps

**MaxiInterest Investment Deposit**

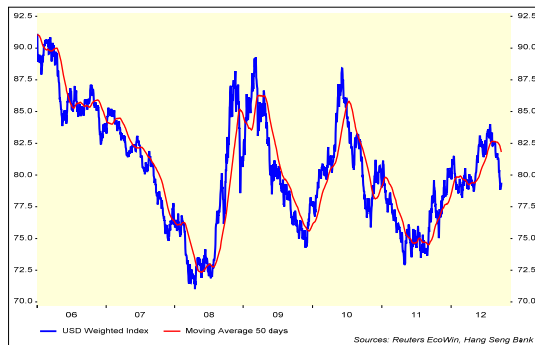
USD linked to EUR  
1 week  
Ref. Rate up to **8.25%** p.a.

**Time Deposit**

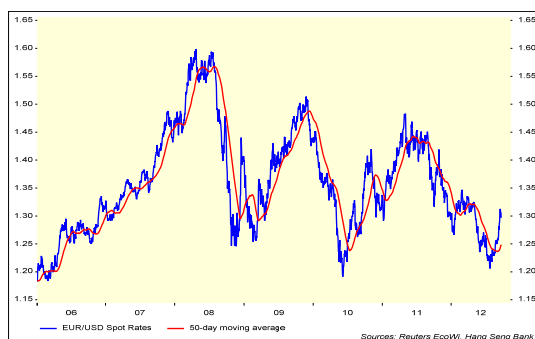
AUD  
1 week  
Ref. Rate up to **6.28%** p.a.



## US Dollar Index Daily Chart



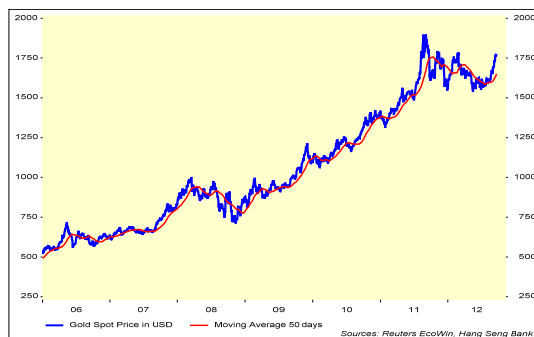
## EUR/USD Daily Chart



## USD/CAD Daily Chart



## Spot Gold Daily Chart



## US Dollar

The dollar and Japanese yen strengthened against other majors as global growth concerns triggered risk aversion flows, to the benefit of safe havens. Data from around the world showed that the global economy remained weak. For a start, HSBC's flash PMI data showed that manufacturing in mainland China contracted for an 11<sup>th</sup> consecutive month in September. The situation in the eurozone is even worse, with the composite PMI index dropping to a 30-month low of 45.9 in September. A reading below 50 indicates contraction in economic activities. The number indicates that the euro area's economy is heading for a second straight quarterly contraction after a 0.2% decline in the second quarter. Similarly, US reports also disappointed, suggesting that while the economy continued to expand, the pace of growth has slowed. US jobless claims held near two-month highs last week, and factory activity in the US mid-Atlantic region, as reflected by the Philadelphia Fed index, shrank for a fifth month in a row in September. Concerns about global growth dampened investor sentiment, leading to more demand for safer assets. The euro fell below the 1.30 level against the dollar. The Australian and New Zealand dollars also lost ground against their US counterpart, to trade near 1.0440 and 0.8290 respectively.

## EUR/USD

The euro fell below 1.30 as growth concerns increased. The purchasing managers' index showed that eurozone manufacturing activity contracted further in September, albeit at a slower pace than the previous two months. Uncertainty about whether Spain would apply for a full-scale bailout also weighed on sentiment, although it successfully auctioned debt yesterday. The euro, trading as low as 1.2921 against the dollar, was down 0.6% to 1.2968/78 late in New York.

## USD/CAD

Selling pressure increased as disappointing PMI figures from mainland China and Europe underscored concerns over global recovery prospect. HSBC's China Manufacturing PMI was little changed at 47.8 in September, staying in contractionary territory for an 11<sup>th</sup> month in a row. The lackluster PMI prints from the eurozone further affirmed the view of a gloomy global economic outlook. Investors locked in recent gains in a bout of risk-off trading. Nonetheless, loss of the loonie was mild as the currency was supported by a well-received Spanish bond auctions. The Canadian dollar slipped 0.3% against the US dollar to close near 0.9760/70. The next major level of support for the loonie is seen at 0.9840.

## Spot Gold

Movements of gold were confined in the broad range recently. Any attempt of a rally was constrained by the key resistance around USD1,775 while the USD1,750 barrier provided a strong support to prevent bullion prices from further decline. Throughout the whole trading day, the yellow metal moved in the range of USD1,756.40 and USD1,772.10 per ounce. At the end, the precious metal finished the day at USD1,767.50/1,768.50.



# Daily Commentary on FOREX

Treasury Division

## Hang Seng Financial Bulletin

20 September 2012 Closing

	High	Low	Close	Previous
EUR/USD	1.3058	1.2921	1.2968/78	1.3050/60
USD/JPY	78.45	78.03	78.23/33	78.33/43
GBP/USD	1.6235	1.6165	1.6212/22	1.6220/30
USD/CHF	0.9354	0.9264	0.9323/33	0.9272/82
AUD/USD	1.0477	1.0370	1.0433/43	1.0483/93
NZD/USD	0.8301	0.8210	0.8285/95	0.8280/90
USD/CAD	0.9815	0.9750	0.9760/70	0.9735/45
EUR/JPY	102.38	100.95	101.50/60	102.28/38
EUR/GBP	0.8045	0.7990	0.7995/05	0.8041/51
Gold (in USD)	1,772.10	1,756.40	1,767.50/1,768.50	1,770.40/1,771.40
Silver (in USD)	34.76	34.10	34.65/34.69	34.59/34.64

All currency rates listed above are not necessarily equivalent to actual market trading prices.)

Source: Hang Seng Bank, Bloomberg L.P.

(%)	HIBOR	USD LIBOR
O/N	0.15	0.15
1-month	0.30	0.22
3-month	0.40	0.37
6-month	0.55	0.66
1-year	0.86	0.99

Source: Reuters

US Treasury Yield (%)		
3-month	0.11	--
2-year	0.26	--
5-year	0.69	+0.01
10-year	1.76	-0.01
30-year	2.94	-0.02

Source: Bloomberg L.P., New York Close

International Interest Rates (%)			
HK Discount Window Base Rate	0.50	Japanese Overnight Call Rate	0-0.10
US Fed Funds Target Rate	0-0.25	Canadian Overnight Rate Target	1.00
British Repo Rate	0.50	Australian Cash Rate	3.50
Euro Refinancing Rate	0.75	New Zealand Cash Rate	2.50

Source: Central Bank Data

Today's Global Economic Calendar			
HK Time	Events/Releases	Forecast	Prior
20:30	Canada CPI (YoY) (Aug)	1.3%	1.3%

Source: Bloomberg L.P.

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