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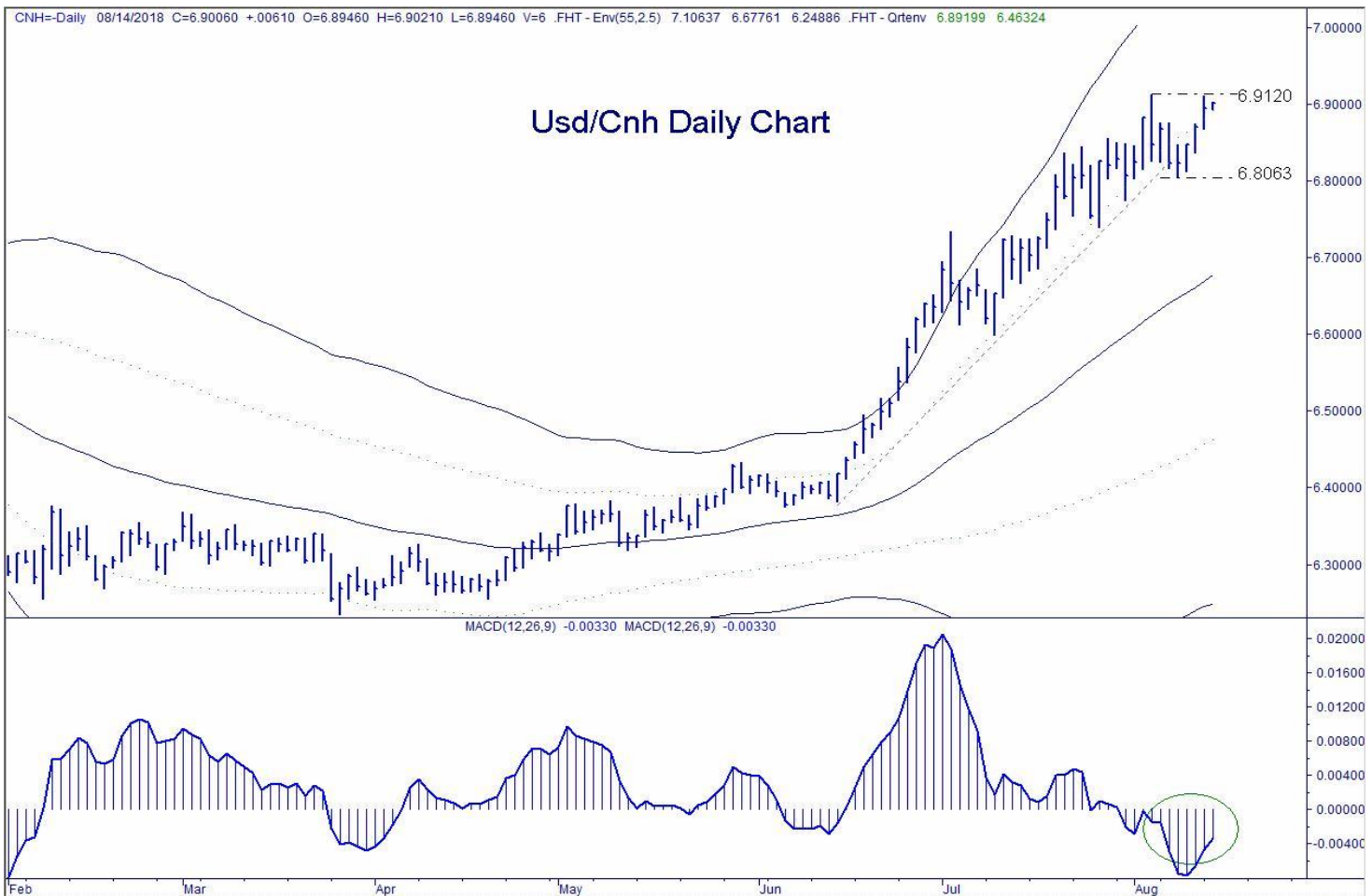
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Tuesday, 14 August 2018

## FX Insights: USD/Asia Weekly

**USD/CNH: 6.8950**

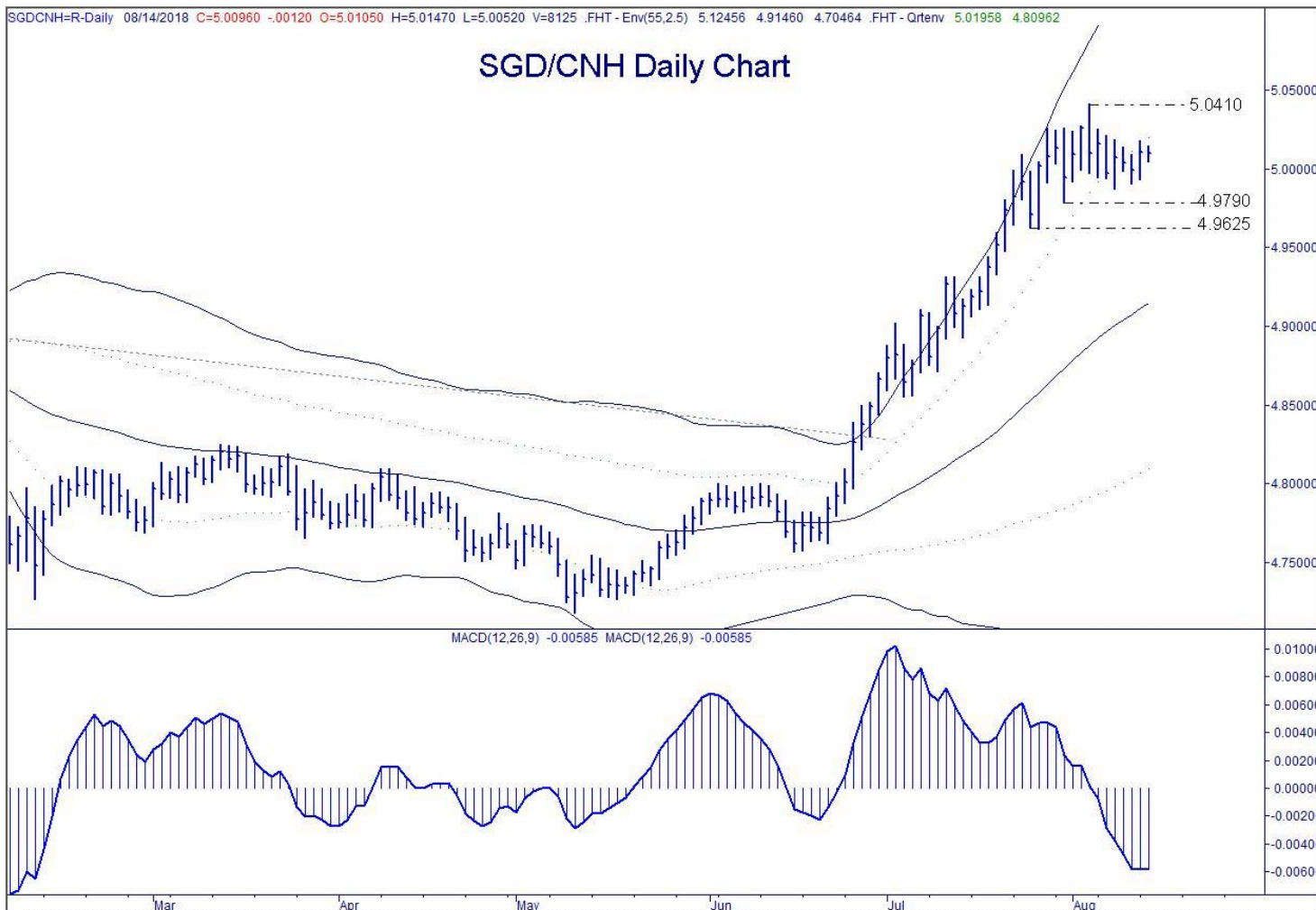
*Break of the early August peak of 6.9120 would not be surprising but any up-move is likely not sustainable.*



In our update last Tuesday ([07 Aug](#), spot at 6.8640), we highlighted the “increasing risk of as short-term top” but added, “any pull-back is viewed as a correction and the price action of any USD weakness is expected to be choppy”. While USD/CNH subsequently broke below the rising trend-line support at 6.8160, the anticipated pull-back did not really materialize as USD/CNH rebounded strongly from a low of 6.8063. The recovery hit a high of 6.9100 yesterday (13 Aug) and while a break of the 6.9120 peak seen earlier this month would not be surprising, we continue to have doubts on the sustainability of any further up-move (note that daily MACD is still in negative territory). That said, in view of the relatively robust short-term upward momentum, a break of 6.9120 could lead to rise to 6.9300 but at this stage, we do not see high prospect for a move above 6.9500 (this resistance is followed closely by the 2017 peak of 6.9870). On the downside, support is at 6.8600 but only a break of 6.8300 would indicate that the current mild upward pressure has eased.

**SGD/CNH: 5.0110**

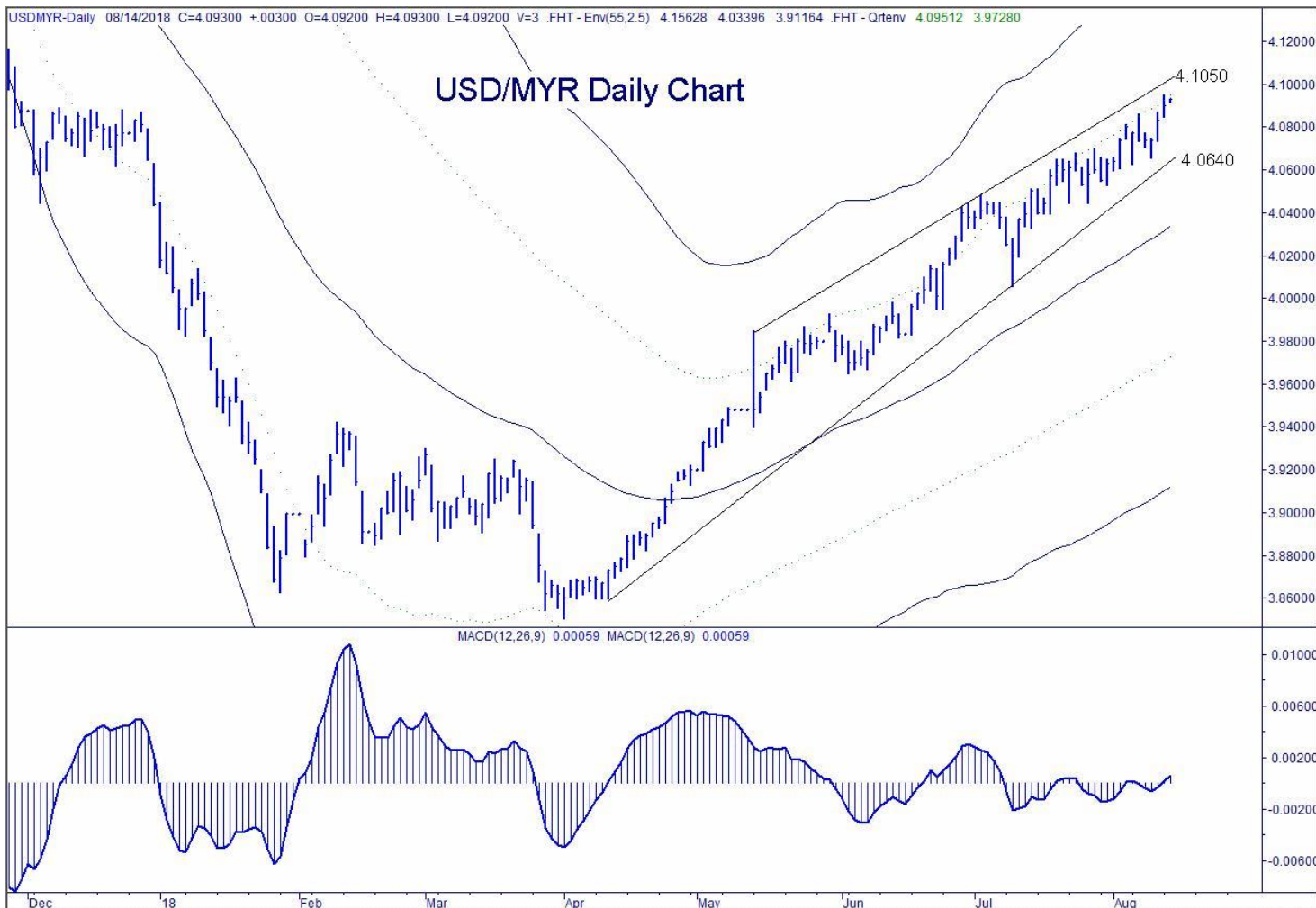
*SGD/CNH has likely moved into a consolidation phase and is expected to trade sideways.*



SGD/CNH traded mostly sideways since our update last Tuesday ([07 Aug](#), spot at 5.0160) and the major resistance indicated at 5.0500 remains 'untested'. Since the last update, upward momentum has deteriorated further and this coupled with overbought conditions suggests that 5.0500 is likely to remain intact, at least for the next 1 to 2 weeks. The current movement is viewed as the early stages of a consolidation phase and SGD/CNH is expected to trade sideways from here, likely holding within the month-to-date range of 4.9790/5.0410.

**USD/MYR: 4.0950**

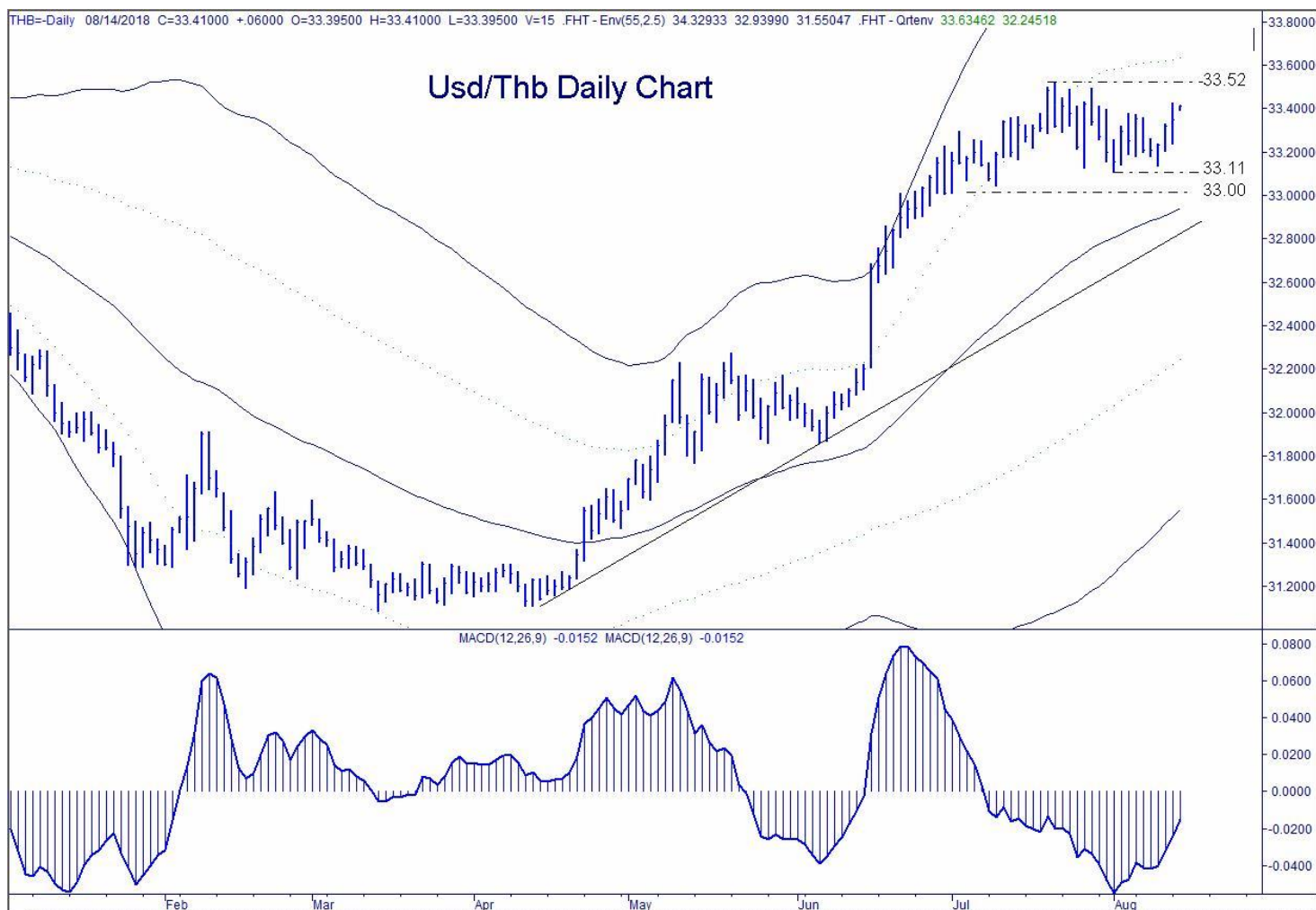
*USD could continue to grind higher but any gains is likely limited to a test of 4.1000/4.1050.*



We continue to hold the same view as last Tuesday ([07 Aug](#), spot at 4.0820), wherein we see scope “for another leg higher” in USD/MYR. That said, upward momentum is patchy at best and the current USD strength is clearly struggling to maintain its momentum. That said, further fresh high would not be surprising but we do not expect a clear break above the strong 4.1000/4.1050 resistance zone (resistance levels were previously between 4.0890 and 4.0950). Support is at 4.0730 but only a break of 4.0640 would indicate that a short-term top is in place.

**USD/THB: 33.30**

USD/THB is expected to trade sideways, likely within a 33.11/33.52 range.

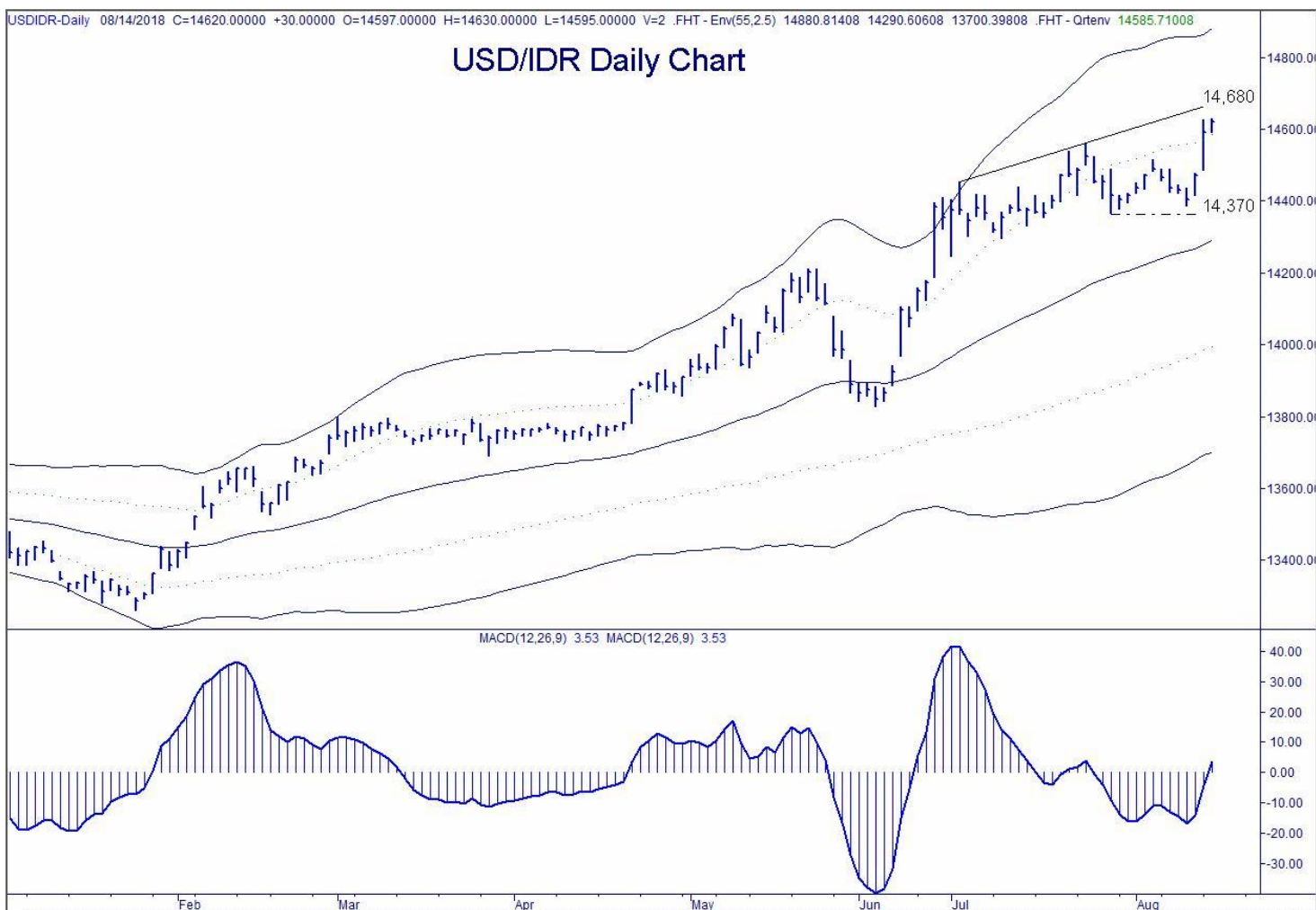


In our last update last Tuesday ([07 Aug](#), spot at 33.29), we held the view that “*the weak undertone continues to suggest scope for USD/THB to test the 33.00 support*”. Against our expectation, USD rebounded after touching a low of 33.14. The recovery lacks momentum and is viewed as part of a consolidation phase instead of the start of a fresh bullish phase. In other words, we expect USD to trade sideways for now, likely between the recent range of 33.11/33.52.



**USD/IDR: 14,600**

Scope for USD/IDR to extend higher to 14,680.



In our update last Tuesday ([07 Aug](#), spot at 14,450), we expected 14,600 to cap USD/IDR strength but warned, “*the strong 14,300 support could be out of reach*”. Against our expectation, USD broke above 14,600 yesterday (13 Aug) and hit a fresh high of 14,625. While upward momentum is not strong, the current USD strength has scope to extend higher to 14,680. At this stage, we do not anticipate a clear break above this level. On the downside, 14,370 is acting as a strong support now and this level is expected to be strong enough to hold any short-term pull-back within the next one week or so.

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