

21/Jun/24

(1) FX Market News

Gold touches two-week high as soft US economic data keeps rate cut bets alive.

Gold prices hit a two-week high on Thursday after recent weak U.S. economic data raised market expectations of interest rate cuts from the Federal Reserve later this year, while uncertainty around multiple elections globally also lent support. Spot gold was up 0.5% at \$2,340 per ounce. U.S. gold futures rose 0.3% to \$2,353.70. Gold demand increases from investors bundling into safety as geopolitical risks escalate. Gold price awakens from its slumber on Thursday, gaining a sprightly half a percent to trade in the \$2,340s.

Dollar rises, pound, Swiss franc drop.

The dollar climbed on Thursday, while the Swiss franc and the pound dropped as a busy day of central bank meetings kept currency traders alert. The dollar index was last up 0.2% at 105.42. The dollar, meanwhile, climbed 0.6% to 0.8894 francs as the Swiss currency fell from around a three-month high, which came with forecasts predicting a further fall in inflation to 1.1% in 2025. The euro was on the back foot again on Thursday, down 0.2% against the dollar to 1.0710.

Australian dollar hits 16-1/2-year top on yen, kiwi pares gains after GDP.

The Australian dollar climbed to a 16-1/2-year peak on the yen on Thursday, bolstered by expectations policy will remain tight at home. Markets continued to pare back the probability of a rate cut from the Reserve Bank of Australia this year, following a hawkish-sounding policy presentation on Tuesday. The prospect of a long period of steady policy until early next year and low volatility in rates is attractive for carry trades, mainly borrowing in yen at low rates to buy Aussie. Aussie held firm at 0.6676, near the top of the recent range of 0.6580-0.6710. The kiwi dollar climbed briefly to 0.6148 after data showed New Zealand's economy expanded 0.2% in the first quarter. The gain, however, soon faded.

(2) Major Stock Indexes, PBOC fixing and XAU

	Last	Change	%Change
Hang Seng Index	18,335.22	-95.07	-0.52%
Dow Jones Index	39,134.76	299.90	0.77%
Nasdaq Composite	17,721.59	-140.64	-0.79%
S & P 500 Index	5,473.17	-13.86	-0.25%
FTSE100	8,272.46	67.35	0.82%
DAX	18,254.18	186.27	1.03%
CAC40	7,671.34	101.14	1.34%

Source: Reuters

Date	PBOC Fixing
20-Jun	7.1192
19-Jun	7.1159
18-Jun	7.1148
Date(close)	XAU
20-Jun	2359.63
Date(close)	USD Index
20-Jun	105.63

(3) Major Currencies Range

Currencies	Market Price	20-Jun		
		High	Low	US Close
EUR/USD	1.0700	1.0742/50	1.0700/08	1.0704/12
EUR falls and a break below 1.0650/55 would signal another downside test towards 1.0600/5. A break above 1.0750/55 would signal correction towards 1.0800/5.				
USD/JPY	158.95	158.85/93	157.91/99	158.82/90
USD rises and a break above 159.50/55 would signal another upside test towards 160.00/5. A break below 158.00/5 would signal correction towards 157.50/55.				
GBP/USD	1.2655	1.2714/22	1.2654/62	1.2662/70
GBP falls and a break below 1.2600/5 would signal another downside test towards 1.2550/55. A break above 1.2700/5 would signal correction towards 1.2750/55.				
USD/CHF	0.8920	0.8919/27	0.8828/36	0.8908/16
USD rises and a break above 0.8970/75 would signal another upside test towards 0.9020/25. A break below 0.8850/55 would signal correction towards 0.8800/5.				
AUD/USD	0.6660	0.6675/83	0.6645/53	0.6648/56
AUD consolidates and turns sideways with downside bias. A break of 0.6620/25 would signal another downside test towards 0.6570/75. A break above 0.6720/25 would signal correction towards 0.6770/75.				
NZD/USD	0.6120	0.6135/43	0.6110/18	0.6115/23
NZD consolidates and turns sideways with downside bias. A break of 0.6080/85 would signal another downside test towards 0.6030/35. A break above 0.6180/85 would signal correction towards 0.6230/35.				
USD/CAD	1.3690	1.3717/25	1.3685/93	1.3698/06
USD consolidates and turns sideways with downside bias. A break of 1.3650/55 would signal another downside test towards 1.3600/5. A break above 1.3750/55 would signal correction towards 1.3800/5.				
USD/CNH	7.2920	7.2912/22	7.2762/72	7.2910/20
USD rises and a break above 7.3000/5 would signal another upside test towards 7.3100/5. A break below 7.2800/5 would signal correction towards 7.2700/5.				

(4) Economic Data

HK Time	Country	Economic Indicator	Period	Month	Forecast	Prior
7:30	JP	Core CPI	(Y/Y)	(May)	2.6%	2.2%
14:00	UK	Retail sales	(Y/Y)	(May)	-0.9%	-2.7%
20:30	CA	Retail sales	(M/M)	(Apr)	0.7%	-0.2%

22:00

US

Existing home sales

(May)

4.10M

4.14M

Source: Reuters

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