

Market Talk

- US ISM Manufacturing data was lower than expected at 54.1 against 57.5 (F). US\$ weakened as a result against its peers. It also adds to concerns over slowing economic growth in Europe, China and USA.
- US House of Representatives leader Nancy Pelosi said "not doing a wall". This could lead to a confrontation with Trump and a prolong shutdown of US government. This uncertainly adds to US\$ weakness.
- US/China will hold vice minister trade talk on 7th and 8th of Jan 2019. This helps to reduce concerns of a slowing global economy hurts by trade war between the world 2 largest economies.
- A survey by YouGov for PMP in UK showed that 59% of Conservative MPs opposed May's Brexit deal. A vote in UK parliament is due in the week of Jan 14. With UK due to leave EU in less than 3-month time, and with little time for negotiation, odds of a no-deal Brexit are increasing each day.
- US Non-Farm Payroll is at 9.30pm tonight.

Chart Focus GBP/USD

Key Points

1. Trading Sell on GBP/USD recommendation
2. Sell GBP/USD at 1.2640. Stop at 1.2690 and target at 1.2530
3. Uncertainty over Brexit with May's Brexit proposal likely to be defeated is weighing on Sterling and business confidence
4. Price is capped at 20EMA and Fibonacci 62% resistance with MACD bearish and Stochastic near its extreme level

Fundamental Comments

1. Uncertainty over Brexit is weighing on UK business as economic data are below expectations
2. Odds of a no-deal Brexit are growing with UK parliament due to vote in 2-week time on May's Brexit proposal

Technical Comments

1. Price is capped at 20EMA resistance that is just above the Fibonacci 62% retracement
2. Stochastic is reaching its extreme level and MACD is bearish

Key Levels

Support	1.2610	1.2580	1.2535
Resistance	1.2650	1.2685	1.2720



Technical Overview

USD/JPY - Price is now close to its pre-flash crash high of 108.55. We think that price could be capped at this level and a move lower to 107.50 is likely. Stochastic is near to its extreme level but MACD is neutral at the moment. A move above 108.70 could negate this bearish view.

Support	107.95	107.50	107.10
Resistance	108.40	108.90	109.20

EUR/USD - Our sell call was filled yesterday. We are short at 1.1370 with stop at 1.1420. Our view remains the same as yesterday. There are divergence warnings from Stochastic and MACD and we think price should be heading lower today. MACD is still bullish at the moment. When MACD turns bearish, price should start to decline.

Support	1.1380	1.1340	1.1310
Resistance	1.1420	1.1450	1.1495

AUD/USD - Price is now above its pre flash crash level. However Stochastic is near to its extreme level and MACD still bearish, we are fearful of a price decline. There is a strong resistance at 0.7040 to 0.7050 and this resistance zone could capped price advance and cause a price reversal back to 0.6980

Support	0.6995	0.6960	0.6925
Resistance	0.7040	0.7080	0.7120

XAU/USD - Price has reached close to our \$1300 target. While there is divergence warning, price has yet to show a reversal. We think price could be close to a reversal as 1303.10 to 1309.10 could be a hard resistance zone to crack. Trend is still strong and it would be best to wait for a reversal signal before shorting.

Support	1293.80	1284.45	1278.50
Resistance	1303.10	1309.10	1316.70

USD/SGD - Our short position from 2 days ago is still opened. Resistance is now at 1.3630 and 1.3645. Price will need to move above this level to reverse the bearish trend. Stochastic is near to the extreme level but MACD is still bearish. We remain bearish for 1.3570.

Support	1.3600	1.3570	1.3530
Resistance	1.3645	1.3677	1.3705

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