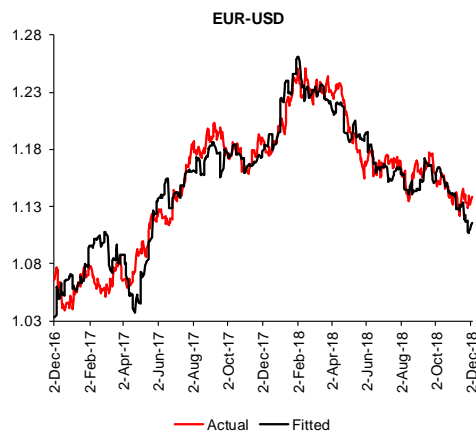
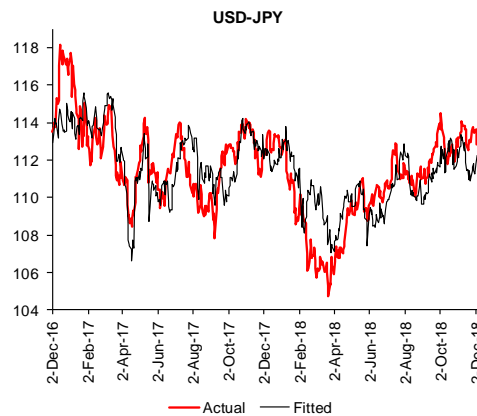


Tuesday, December 04, 2018

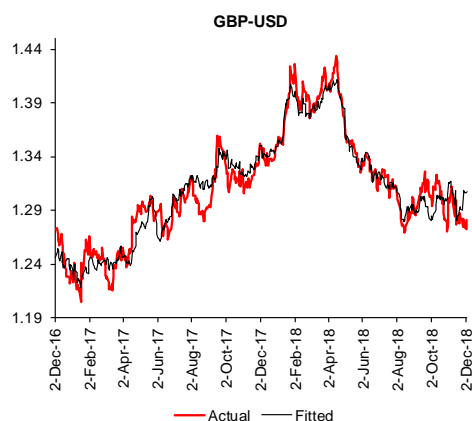
**FX: Ceasefires and inversions**



- **EUR-USD** – Model-implied valuations for the EUR-USD have bottomed out for now but with the pair already trading at its upper confidence interval, upside potential may remain tempered with markets perhaps choosing to collect dips instead.



- **USD-JPY** – The improvement in risk appetite levels is partially negating the slump in US yields. Preference to fade upticks in the pair instead of chasing the downside.

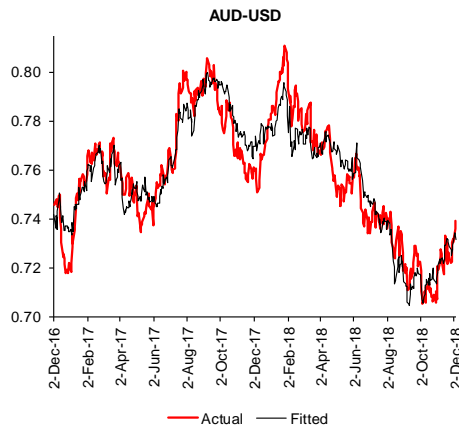


- **GBP-USD** – Short term implied valuations for GBP-USD remain resilient but accumulating market uncertainty ahead of the 11 Dec 2018 Parliamentary vote imply that any upticks in the interim may be met with healthy offers pending Brexit-related headline risks.

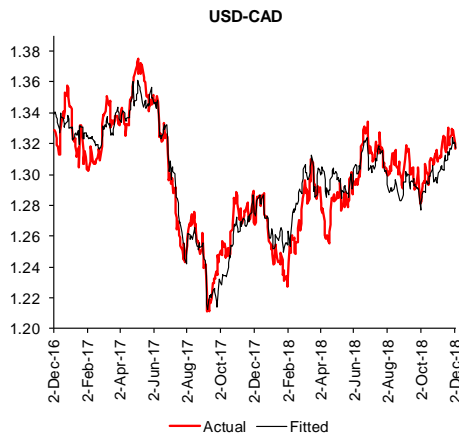
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- **AUD-USD** – Little room for ambiguity here with amid collapsing US yields, the improvement in risk appetite levels, and a recovering commodity complex. Stay bullish on the pair in the interim.



- **USD-CAD** – Short term implied valuations for the pair are topping out on the back of improving risk appetite levels and bouncing crude. Expect scope for the pair to now test towards the downside in the near term.

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