

GLOBAL ECONOMIC UPDATE

US DOLLAR POISED TO STRENGTHEN AGAINST THE PHILIPPINE PESO

The US dollar is poised to rise once again against the Philippine peso. Technically, the USDPHP pair appears to be on the latter stages of a continuation cup and handle formation. Its ability to box itself right below its 53.64 resistance positions it for a highly likely upside break. Note that a rise over 53.64 may send it to its next ceiling at 54.00. On the fundamental end, the US Federal Reserve is set to raise its benchmark interest rate in the coming monetary policy decision this coming September 26, 2018 from 2% to 2.25%. The probability of them doing so is already at 98.4%. Meanwhile, the Fed is projected to further hike the benchmark rate to 2.5% in December. The probability of them doing so has already risen to 71.2%. Further increase in US interest rates may likely attract more inflows in USD.



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