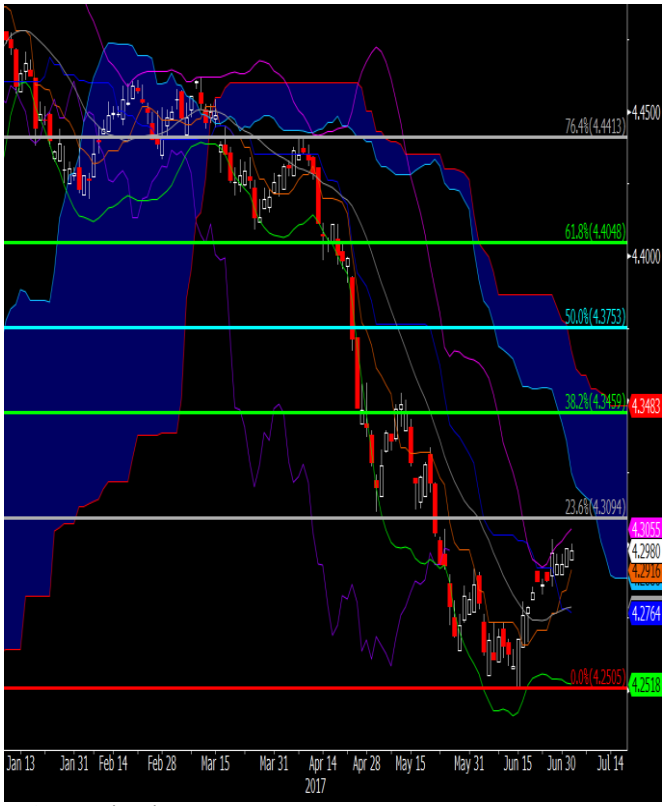
Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

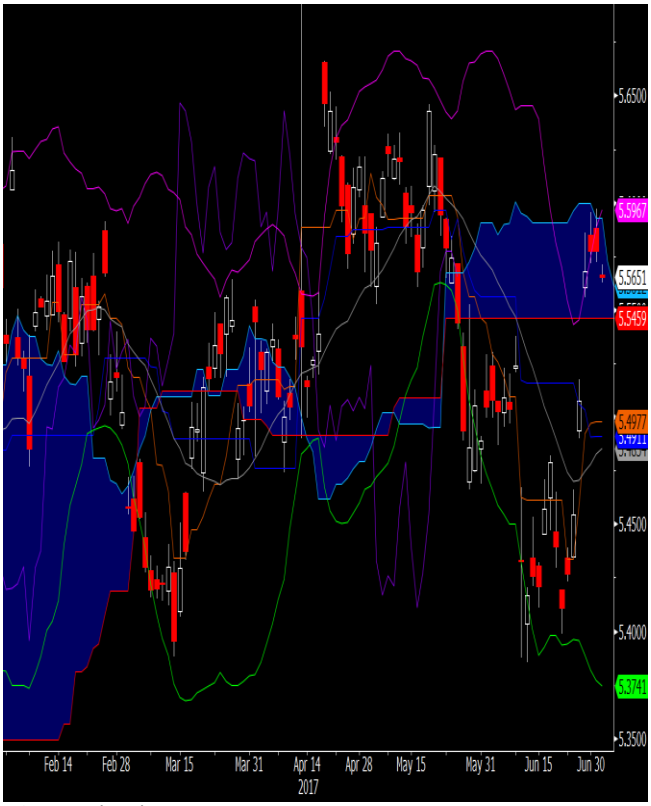
Indicative USDMYR 4.2980



Source: Bloomberg

- USDMYR opened slightly lower today. **Daily outlook slightly bearish** in anticipation of a softer USD and firmer support for MYR amid improving risk appetite.
- **Weekly and monthly outlook bearish**.
- Even though USDMYR is still inclined to higher levels, potentially testing 4.3060, we reckon that softening upside momentum is likely to restrict gains and gradually tilt the pair into a bearish bias going forward. Caution that losing 4.2903 exposes a longer-term drop to 4.2780.
- **Continue to expect a potential advance to 4.3030**.
- **Key resistances:** 4.2986 (R1), 4.3033 (R2), 4.3098 (R3)
- **Key supports:** 4.2968 (S1), 4.2916 (S2), 4.2886 (S3)
- **Expected range for the day:** 4.2900 – 4.3030

Indicative GBPMYR 5.5651

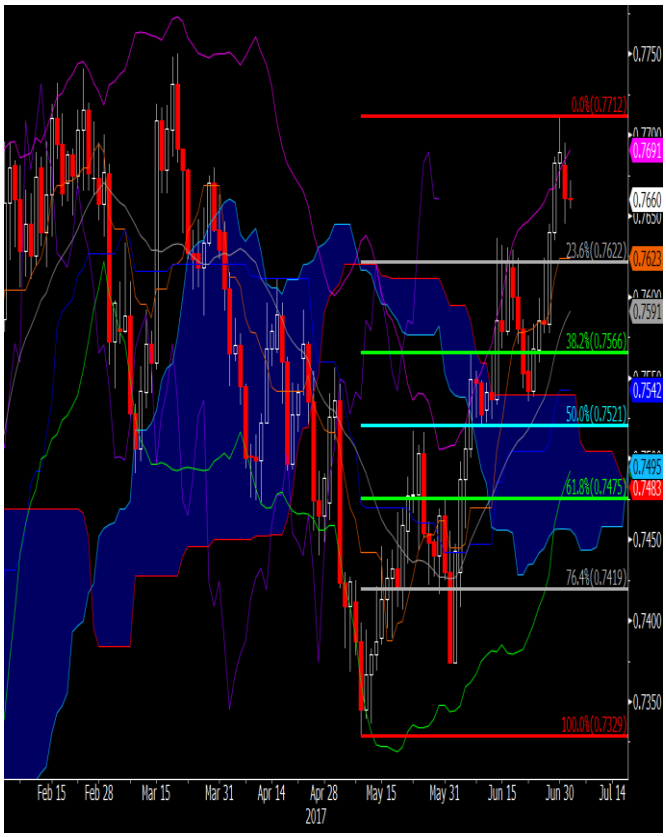


Source: Bloomberg

- GBPMYR opened 112pips lower at 5.5662. **Daily outlook slightly bearish**, weighed down by the sharply lower opening though we reckon that current losses may be narrowed in European trade as GBP advances.
- **Weekly outlook bullish, monthly outlook bearish**.
- We maintain that GBPMYR is poised to test 5.6000, but stay skeptical that extended upsides can sustain thereafter. We set sights on a failure near 5.6000 to push GBPMYR lower to circa 5.5450, otherwise, the pair is set for a test at 5.6330 in the next leg higher.
- **Continue to expect a potential climb to 5.6000**.
- **Key resistances**: 5.5723 (R1), 5.5858 (R2), 5.5931 (R3)
- **Key supports**: 5.5560 (S1), 5.5459 (S2), 5.5408 (S3)
- **Expected range for the day:** 5.5560 – 5.5860

** levels are quoted based on spot prices at the time of writing, bid/ask prices may vary*

Indicative AUDUSD 0.7660

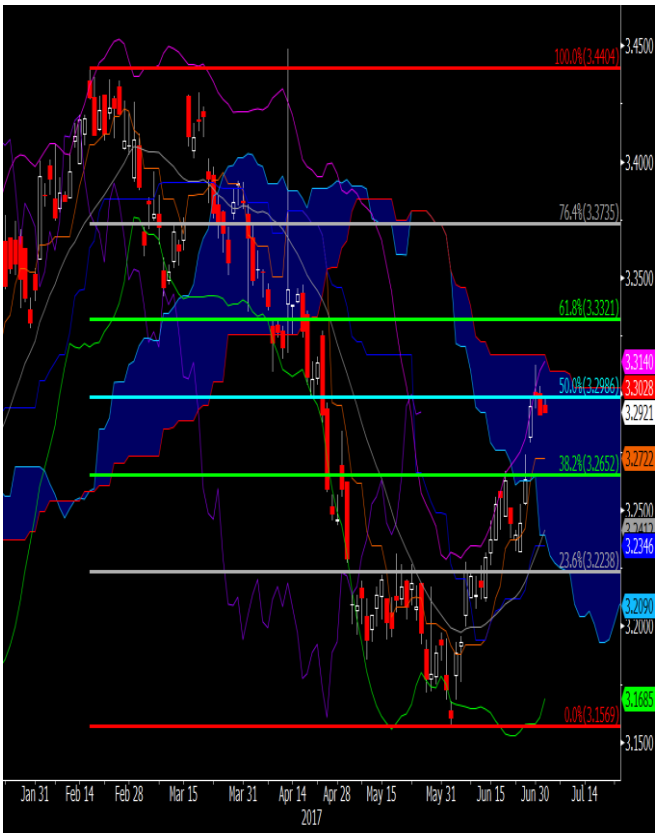


Source: Bloomberg

- AUDUSD opened 8pips lower at 0.7661. **Daily outlook slightly bullish**, supported by risk aversion in USD and firmer risk appetite in the market.
- **Weekly outlook slightly bullish, monthly outlook bearish**.
- AUDUSD is still poised to close above 0.7689 in the coming days but given slowing upside momentum, we now view a growing risk of upside failure as it approaches 0.7720. Failure to beat 0.7720 could be the onset of a reversal that could fall as low as 0.7566.
- **Expect a potential decline to 0.7570**, otherwise curbed by a close above 0.7710.
- **Key resistances:** 0.7692 (R1), 0.7720 (R2), 0.7750 (R3)
- **Key supports:** 0.7640 (S1), 0.7623 (S2), 0.7608 (S3)
- **Expected range for the day:** 0.7620– 0.7680

** levels are quoted based on spot prices at the time of writing, bid/ask prices may vary*

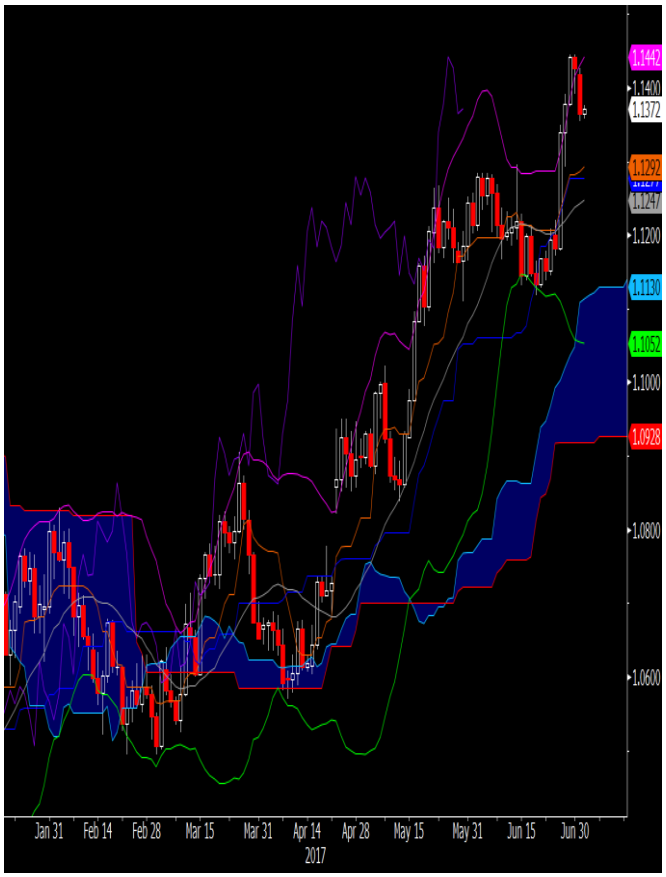
Indicative AUDMYR 3.2921



Source: Bloomberg

- AUDMYR opened 39pips higher at 3.2952. **Daily outlook bearish** on technical reasons.
- **Weekly outlook neutral, monthly outlook bearish**.
- Technical outlook suggests AUDMYR is still likely to test 3.3172. However, slowing upside momentum hints softer gains and potential change in technical landscape that could tilt AUDMYR into a bearish bias, resulting in a drop to 3.2652.
- **Key resistances:** 3.2986 (R1), 3.3033 (R2), 3.3080 (R3)
- **Key supports:** 3.2909 (S1), 3.2880 (S2), 3.2791 (S3)
- **Expected range for the day:** 3.2910 – 3.3030

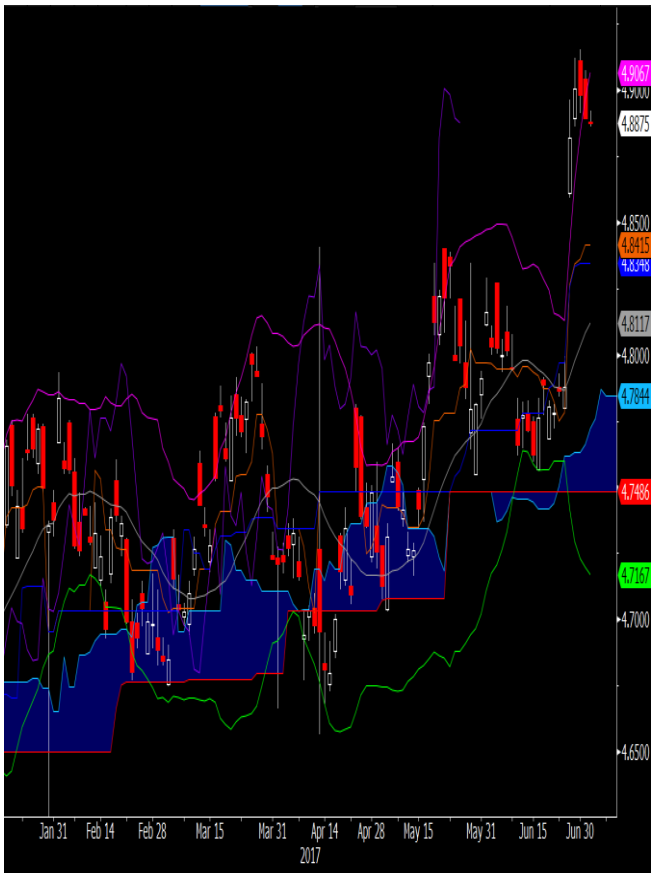
Indicative EURUSD 1.1372



Source: Bloomberg

- EURUSD opened 8pips lower at 1.1364. **Daily outlook bullish** in anticipation of a soft USD as buying support wanes amid closure of US market for 4th of July holiday.
- **Weekly and monthly outlook bearish**.
- Technical landscape has changed; while there is still some room for gains, we opine that EURUSD is now more inclined to losses going forward. A close below 1.1361 exposes a longer-term decline to 1.1247.
- **Key resistances:** 1.1392 (R1), 1.1427 (R2), 1.1441 (R3)
- **Key supports:** 1.1361 (S1), 1.1344 (S2), 1.1300 (S3)
- **Expected range for the day:** 1.1300 – 1.1400

Indicative EURMYR 4.8875



Source: Bloomberg

- EURMYR opened 11pips lower at 4.8881. **Daily outlook slightly bullish** amid bullish potential in EUR going into European trade.
- **Weekly and monthly outlook bearish**.
- We remain skeptical that recent surges are sustainable and will likely unravel going forward, but maintain that EURMYR will push higher first, likely above 4.9004, before reversing.
- **EURMYR is now unlikely to climb to 4.9350**.
- **Key resistances:** 4.8962 (R1), 4.9071 (R2), 4.9122 (R3)
- **Key supports:** 4.8860 (S1), 4.8800 (S2), 4.8750 (S3)
- **Expected range for the day:** 4.8800 – 4.9000

** levels are quoted based on spot prices at the time of writing, bid/ask prices may vary*

Hong Leong Bank Berhad
Fixed Income & Economic Research, Global Markets
Level 6, Wisma Hong Leong
18, Jalan Perak
50450 Kuala Lumpur
Tel: 603-2773 0469
Fax: 603-2164 9305
Email: HLMarkets@hlbb.hongleong.com.my

DISCLAIMER

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter. HLBB may, to the extent permitted by law, buy, sell or hold significantly long or short positions; act as investment and/or commercial bankers; be represented on the board of the issuers; and/or engage in 'market making' of securities mentioned herein. The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favorable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.