Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

Indicative USDMYR 4.0835



Source: Bloomberg

- USDMYR opened slightly higher today. **Daily outlook slightly bullish** amid a rebounding USD spurred by positive sentiments surrounding the passing of the US Tax Bill.
- **Weekly and monthly outlook bearish**.
- There is much less chance of a rebound now that USDMYR has remained below crucial psychological level at 4.1000. USDMYR could still climb higher but only due to technical rebound before sliding lower thereafter.
- **USMDYR is now unlikely to advance to 4.1312 and looks poised to push lower to 4.0646**.
- **Key resistances:** 4.0885 (R1), 4.0900 (R2), 4.0920 (R3)
- **Key supports:** 4.0820 (S1), 4.0800 (S2), 4.0750 (S3)
- **Expected range for the day:** 4.0800 – 4.0920

Indicative GBPMYR 5.5007



Source: Bloomberg

- GBPMYR opened 126pips higher at 5.5188. **Daily outlook bullish** on expectations of continuous GBP gains from positive sentiment regarding progress in Brexit negotiations and a slightly weaker MYR.
- **Weekly outlook bullish, monthly outlook bearish**.
- GBPMYR is poised to climb higher amid emergence of positive momentum and near completion of bullish pattern. Holding above 5.4663 keeps this view intact, with scope to advance to 5.5191.
- **Expect a potential advance to 5.5370**, otherwise curbed by a close below 5.4700.
- **Key resistances**: 5.5025 (R1), 5.5054 (R2), 5.5103 (R3)
- **Key supports**: 5.4945 (S1), 5.47851 (S2), 5.4744 (S3)
- **Expected range for the day:** 5.4945 – 5.5215

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

Indicative AUDUSD 0.7605



Source: Bloomberg

- AUDUSD opened little changed at 0.7612. **Daily outlook bearish** on the back of a firmer USD.
- **Weekly and monthly outlook bearish**.
- Risks of rebound still exists, but capped by 0.7617 and will slide lower thereafter. AUDUSD has room to drop to circa 0.7535 but with the pair still deep in bearish territory, do not rule out a break at 0.7500.
- **Expect a potential drop to 0.7530**, otherwise curbed by a close above 0.7603.
- **Key resistances:** 0.7618 (R1), 0.7631 (R2), 0.7647 (R3)
- **Key supports:** 0.7576 (S1), 0.7550 (S2), 0.7535 (S3)
- **Expected range for the day:** 0.7570 – 0.7618

Indicative AUDMYR 3.1051



Source: Bloomberg

- AUDMYR opened 115pips higher at 3.1041. **Daily outlook bullish in anticipation of greater MYR weakness vis-à-vis AUD.**
- **Weekly and monthly outlook bearish**.
- AUDMYR is now tilted to the downside, with scope to slide to 3.0668 next. Rebounds are not impossible, but capped at 3.1321 before moving lower thereafter.
- **AUDMYR is now unlikely to climb to 3.1616** – expect a potential decline to 3.0668, otherwise curbed by a close above 3.1161.
- **Key resistances:** 3.1073 (R1), 3.1145 (R2), 3.1208 (R3)
- **Key supports:** 3.1041 (S1), 3.0937 (S2), 3.0900 (S3)
- **Expected range for the day:** 3.1000 – 3.1140

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

Indicative EURUSD 1.1875



Source: Bloomberg

- EURUSD opened 14pips lower at 1.1882. **Daily outlook bearish** on the back of a rebounding USD that is still buoyed by optimism over US tax plan.
- **Weekly outlook bearish, monthly outlook bullish**.
- EURUSD remains bearish while below 1.1883; there may be room for a technical rebound to circa 1.1933, but the pair will eventually slide lower from there and slide below 1.1840 going forward.
- **Expect a potential decline to 1.1780**, otherwise curbed by a close above 1.1890.
- **Key resistances:** 1.1883 (R1), 1.1894 (R2), 1.1900 (R3)
- **Key supports:** 1.1837 (S1), 1.1806 (S2), 1.1775 (S3)
- **Expected range for the day:** 1.1840 – 1.1890

Indicative EURMYR 4.8493



Source: Bloomberg

- EURMYR opened 98pips higher at 4.8505. **Daily outlook bullish** on the back of a weaker MYR.
- **Weekly and monthly outlook bullish**.
- EURMYR is now tilted to the downside and likely targeting a drop to 4.8128 going forward.
- **Expect a potential decline to 4.8128**, otherwise curbed by a close above 4.8607.
- **Key resistances:** 4.8500 (R1), 4.8561 (R2), 4.8637 (R3)
- **Key supports:** 4.8400 (S1), 4.8334 (S2), 4.8300 (S3)
- **Expected range for the day:** 4.8400 – 4.8600

** 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 8, Menara Hong Leong
6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
Tel: 603-2081 1221
Fax: 603-2081 8936
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.