Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

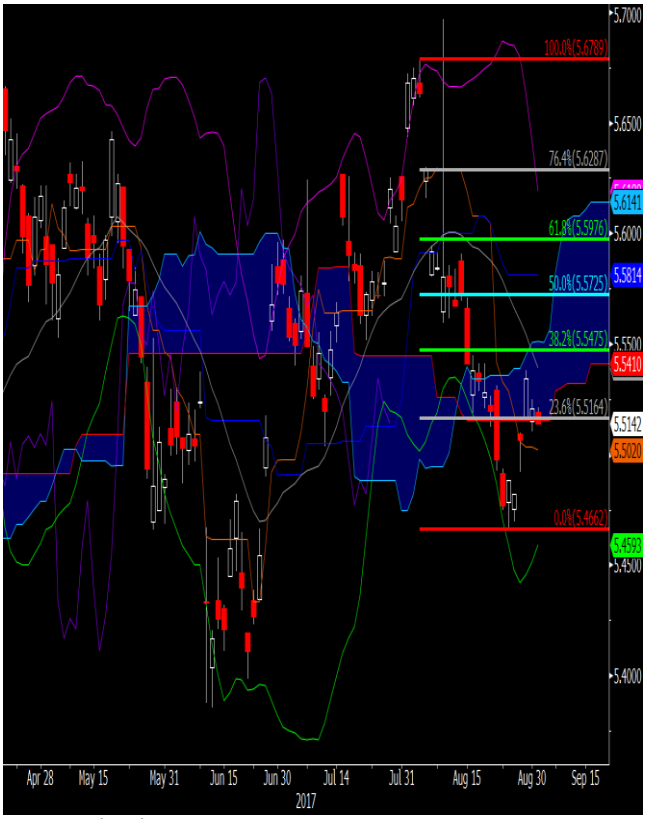
Indicative USDMYR 4.2675



Source: Bloomberg

- USDMYR opened lower today. **Daily outlook slightly bullish** in anticipation of risk-off sentiment in the markets pressuring MYR.
- **Weekly and monthly outlook bullish**.
- It appears that USDMYR has bounced off 4.2648 and is now heading higher, with scope to test 4.2735 in the next leg higher. Beating this exposes a move to 4.2785.
- **Key resistances:** 4.2700 (R1), 4.2735 (R2), 4.2785 (R3)
- **Key supports:** 4.2670 (S1), 4.2648 (S2), 4.2632 (S3)
- **Expected range for the day:** 4.2640 – 4.2750

Indicative GBPMYR 5.5142

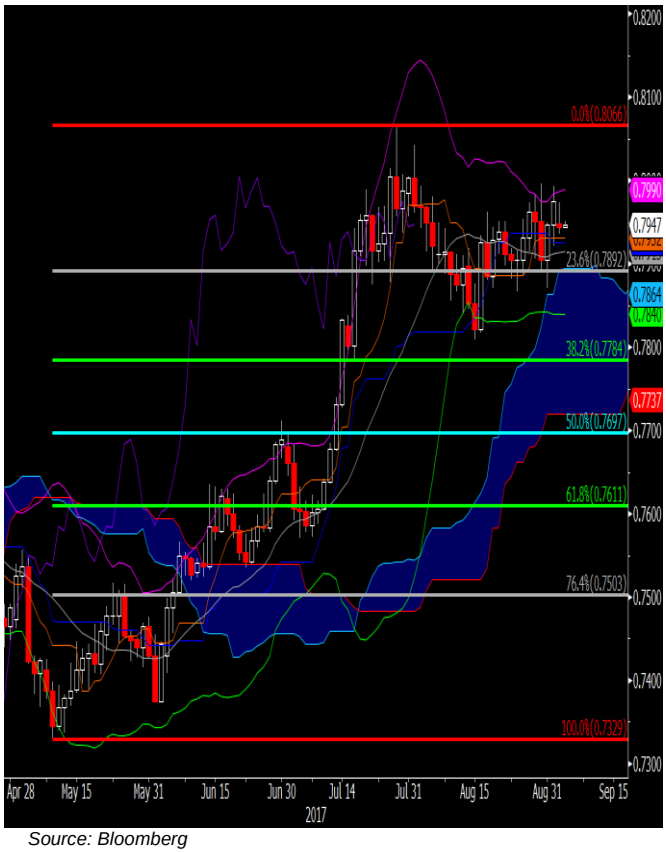


Source: Bloomberg

- GBPMYR opened 14pips lower at 5.5194. **Daily outlook slightly bearish** on the back of pressure on GBP from Brexit concerns, though losses may be modest given a potentially soft MYR amid risk-off sentiment in the markets.
- **Weekly and monthly outlook bearish**.
- Caution that losing 5.5164 tilts GBPMYR downward towards 5.5020 in the next leg lower. However, technical viewpoint suggests that there is scope to re-test 5.5475 going forward, but anything beyond remains doubtful to us at this juncture.
- **Continue to expect a potential decline to 5.4550**, otherwise curbed by a close above 5.5380
- **Key resistances**: 5.5250 (R1), 5.5313 (R2), 5.5388 (R3)
- **Key supports**: 5.5140 (S1), 5.5100 (S2), 5.5020 (S3)
- **Expected range for the day:** 5.5000 – 5.5300

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

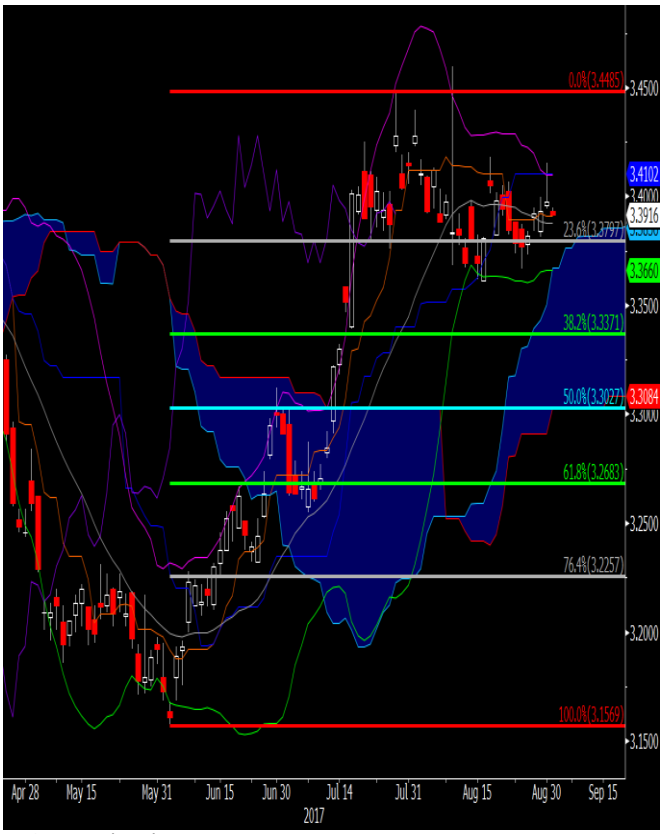
Indicative AUDUSD 0.7947



Source: Bloomberg

- AUDUSD opened unchanged at 0.7944. **Daily outlook bearish** amid downside pressure on AUD by lingering risk-off in the markets.
- **Weekly outlook neutral, monthly outlook bearish**.
- AUDUSD failed yet again near 0.7980 – 0.8000, and a mild bearish bias has emerged, indicating a move lower. We set sights on a drop to 0.7892 in the next leg lower.
- **Continue expect a potential decline to 0.7800**, otherwise curbed by a close above 0.7990.
- **Key resistances:** 0.7952 (R1), 0.7980 (R2), 0.8000 (R3)
- **Key supports:** 0.7932 (S1), 0.7915 (S2), 0.7900 (S3)
- **Expected range for the day:** 0.7900 – 0.7980

Indicative AUDMYR 3.3916

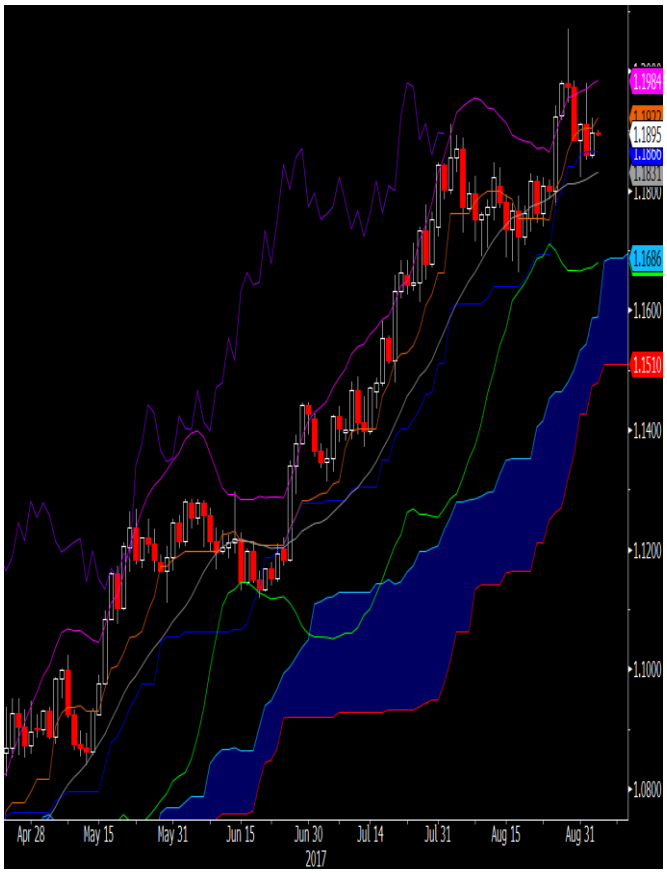


Source: Bloomberg

- AUDMYR opened 46pips lower at 3.3931. **Daily outlook slightly bearish** as we expect AUD to be more sensitive to the downsides compared to MYR amid prevailing risk-off sentiment.
- **Weekly outlook neutral, monthly outlook bearish**.
- While above 3.3880, AUDMYR remains inclined towards a climb to 3.4179 in the next leg higher. However, a strong rejection of advances yesterday has slightly dented current upside strength.
- **Key resistances:** 3.3948 (R1), 3.3980 (R2), 3.4016 (R3)
- **Key supports:** 3.3910 (S1), 3.3879 (S2), 3.3840 (S3)
- **Expected range for the day:** 3.3880 – 3.3980

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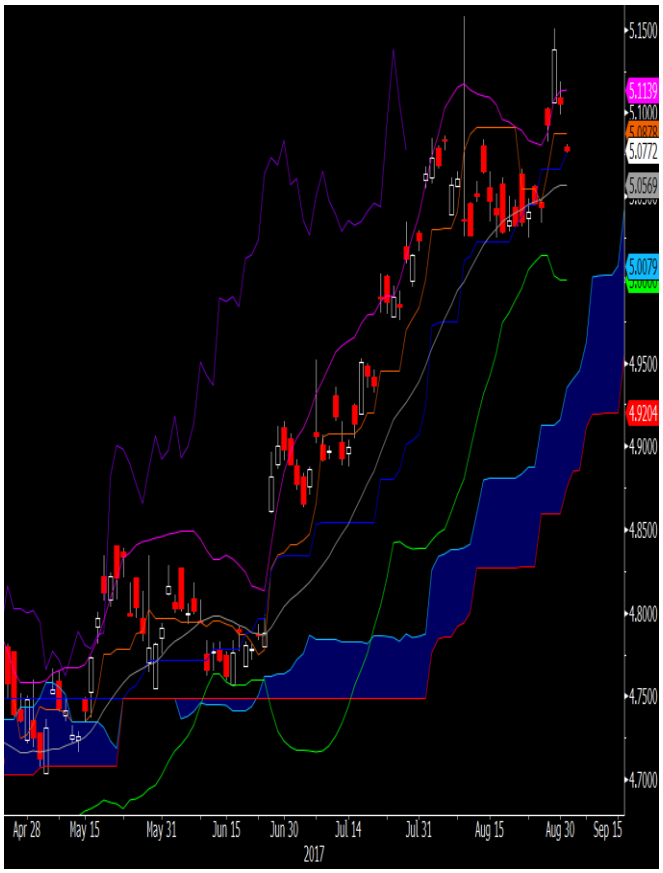
Indicative EURUSD 1.1895



Source: Bloomberg

- EURUSD opened unchanged at 1.1896. **Daily outlook bearish** on rising risk aversion in the markets; caution that soft Eurozone data is likely to push EUR further lower.
- **Weekly and monthly outlook bearish**.
- EURUSD appears to be struggling to beat 1.1900 – 1.1922 range. While below this, the pair is inclined towards the downside, with scope to slide to 1.1831. Otherwise, the pair will take aim at 1.1984, though we suspect gains will still fail near 1.2000.
- **Expect a potential decline to 1.1755**, otherwise curbed by a close above 1.1970.
- **Key resistances:** 1.1907 (R1), 1.1922 (R2), 1.1947 (R3)
- **Key supports:** 1.1855 (S1), 1.1820 (S2), 1.1800 (S3)
- **Expected range for the day:** 1.1860 – 1.1930

Indicative EURMYR 5.0772



Source: Bloomberg

- EURMYR opened 256ips lower at 5.079. **Daily outlook bearish**, weighed down by the sharply lower opening.
- **Weekly and monthly outlook bearish**.
- A sharp gap-down today off the upper Bollinger is a bearish sign to us. Bearish bias is poised to emerge soon, and would therefore tilt EURMYR lower going forward, potentially testing 5.0570 in the next leg lower.
- **Expect a potential drop to 5.0570**, otherwise curbed by a close above 5.0880.
- **Key resistances:** 5.0854 (R1), 5.0880 (R2), 5.0990 (R3)
- **Key supports:** 5.0750 (S1), 5.0646 (S2), 5.0569 (S3)
- **Expected range for the day:** 5.0700 – 5.0850

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