HongLeong Bank

Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

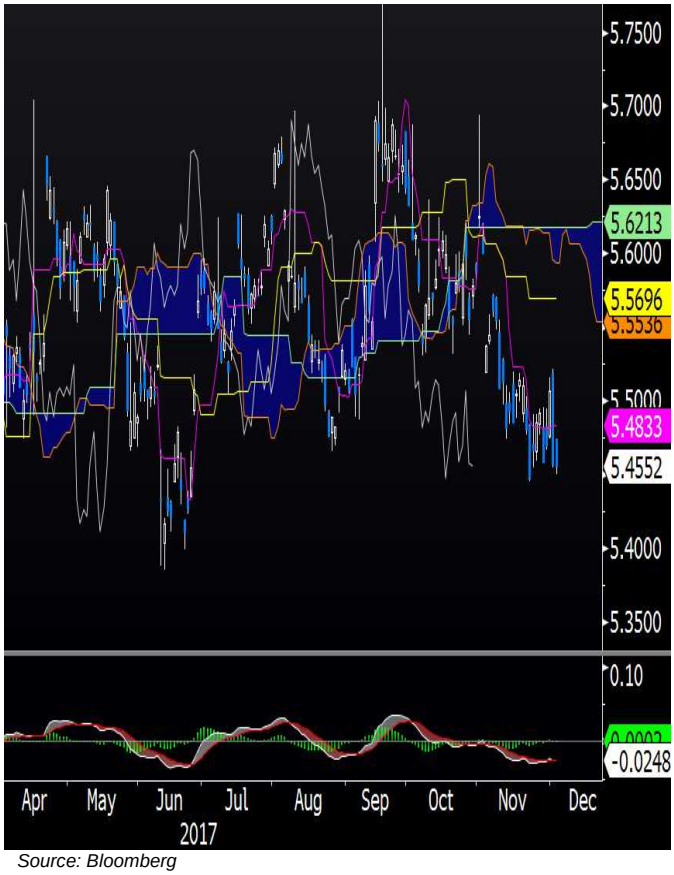
Indicative USDMYR 4.0507



Source: Bloomberg

- USDMYR opened lower today. **Daily outlook bearish** spurred by positive sentiments stemming from optimism over OPR hike and US tax reforms, as well as oil production cut.
- **Weekly and monthly outlook bearish**.
- Persistent close below 4.1000 has reinforced bearishness in the pair. USDMYR could still climb higher but only due to intermittent technical rebounds.
- **USMDYR has broken below 4.0646** with yesterday's close at 4.0630 and is expected to test 4.0257 going forward, after which 3.9805 may be eyed.
- **Key resistances:** 4.0612 (R1), 4.0817 (R2), 4.0920 (R3)
- **Key supports:** 4.0366 (S1), 4.0257 (S2), 4.0185 (S3)
- **Expected range for the day:** 4.0400 – 4.0600

Indicative GBPMYR 5.4557



Source: Bloomberg

- GBPMYR opened 167pips higher at 5.4739. **Daily outlook bearish** on the back of a strong MYR and in anticipation of a weaker sterling going into European session on dampened optimism over a breakthrough in Brexit negotiations.
- **Weekly outlook bullish, monthly outlook bearish**.
- Yesterday's close below 5.4700 has eliminated the scope for GBPMYR to climb higher. Bullishness in the pair is diminishing and is expected to subject the pair to a move lower.
- **Key resistances**: 5.4769 (R1), 5.4932 (R2), 5.5112 (R3)
- **Key supports**: 5.4443 (S1), 5.4085 (S2), 5.3990 (S3)
- **Expected range for the day:** 5.4440 – 5.4739

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

Indicative AUDUSD 0.7639



Source: Bloomberg

- AUDUSD opened unchanged at 0.7598. **Daily outlook slightly bullish** supported by positive China and Australia data.
- **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:** 0.7657 (R1), 0.7701 (R2), 0.7731 (R3)
- **Key supports:** 0.7598 (S1), 0.7550 (S2), 0.7535 (S3)
- **Expected range for the day:** 0.7597 – 0.7700

Indicative AUDMYR 3.0946



Source: Bloomberg

- AUDMYR opened 21pips higher at 3.0893. **Daily outlook slightly bearish amid a strengthening MYR.**
- **Weekly and monthly outlook bearish**.
- AUDMYR remains technically bearish, with scope to slide to 3.0668 next. Rebounds are still possible, 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:** 3.0937 (S1), 3.0900 (S2), 3.0813 (S3)
- **Expected range for the day:** 3.0800 – 3.1070

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Indicative EURUSD 1.1876



Source: Bloomberg

- EURUSD opened unchanged at 1.1866. **Daily outlook bearish** on the back of a firmer USD that is supported by lingering 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 – 1.1880

Indicative EURMYR 4.8108



Source: Bloomberg

- EURMYR opened 52pips higher at 4.8217. **Daily outlook bearish in anticipation of a weaker EUR and further gains in MYR**.
- **Weekly and monthly outlook bullish**.
- EURMYR is now tilted to the downside and has dropped below 4.8128 at time of writing. Negative momentum has increased and is paving the way for the pair to move lower to test 4.8018 next.
- **Key resistances:** 4.8228 (R1), 4.8415 (R2), 4.8504 (R3)
- **Key supports:** 4.8030 (S1), 4.7989 (S2), 4.7955 (S3)
- **Expected range for the day:** 4.8000 – 4.8230

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