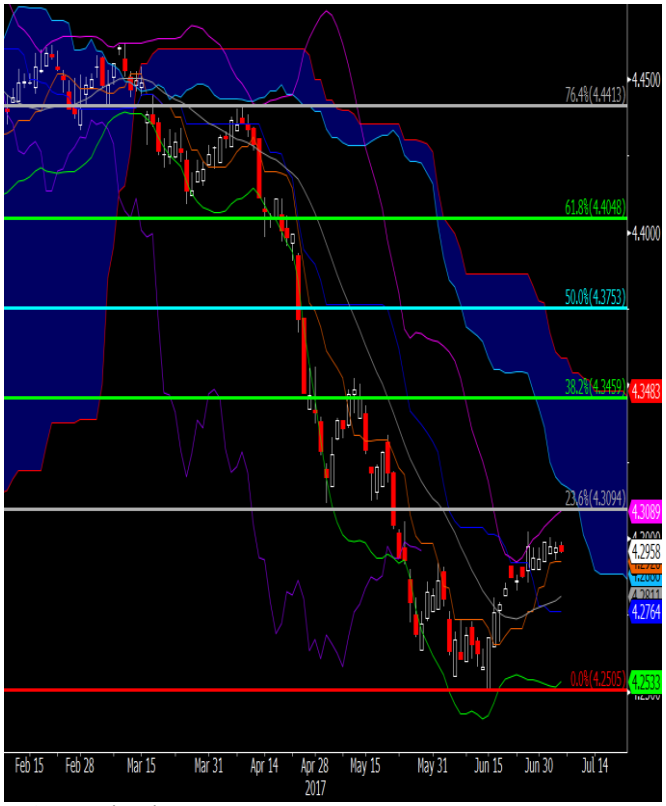
Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

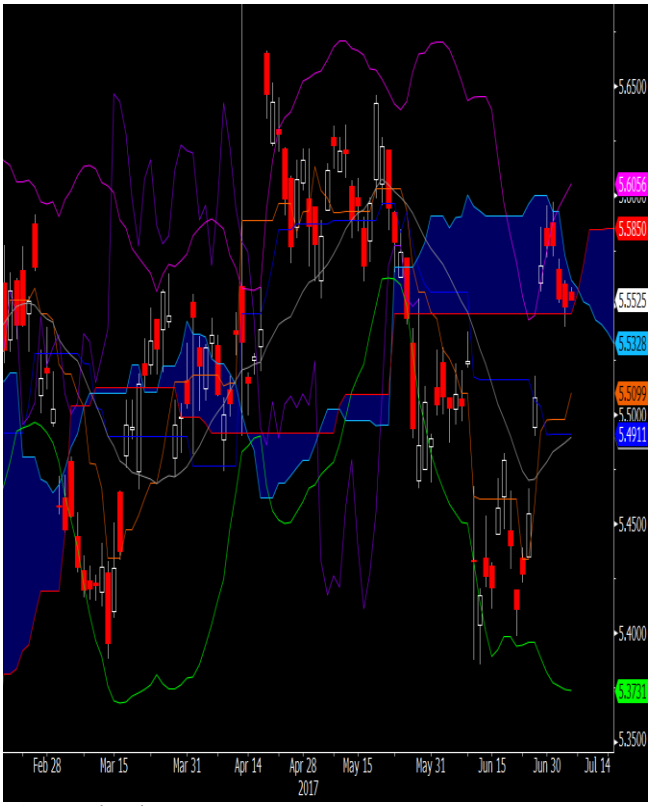
Indicative USDMYR 4.2958



Source: Bloomberg

- USDMYR opened slightly higher today. **Daily outlook slightly bearish** in anticipation of a softer USD in Asian / European sessions, impacted by FOMC minutes that stocked uncertainty on the timing of Fed's balance sheet reduction.
- **Weekly and monthly outlook bearish**.
- A fading upside momentum continues to be seen in USDMYR, thus limiting overall gains. We opine that the pair is fragile and prone to a decline to 4.2902; losing this accelerates the bears that could push USDMR to 4.2811.
- **Key resistances:** 4.2987 (R1), 4.3000 (R2), 4.3033 (R3)
- **Key supports:** 4.2926 (S1), 4.2902 (S2), 4.2886 (S3)
- **Expected range for the day:** 4.2900 – 4.3000

Indicative GBPMYR 5.5525

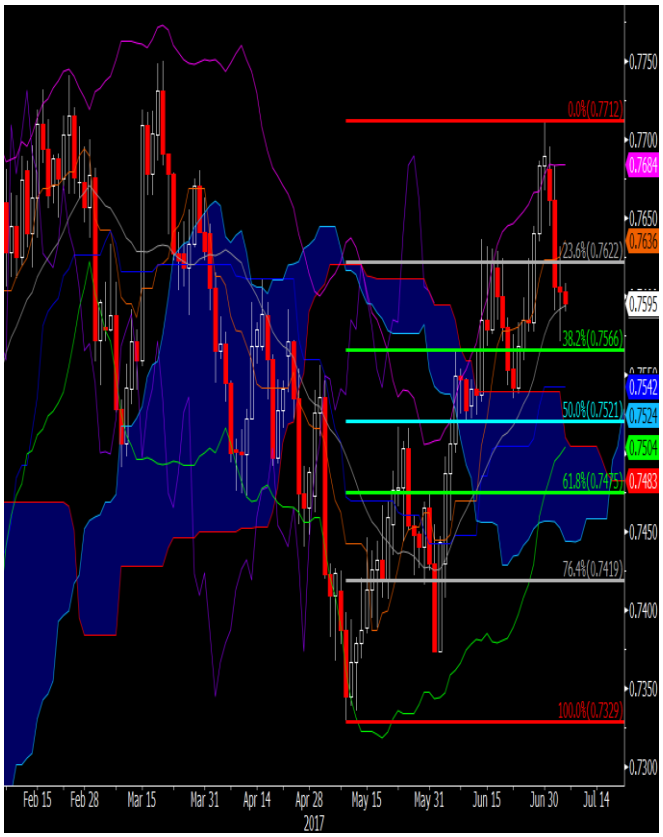


Source: Bloomberg

- GBPMYR opened 64pips higher at 5.5558. **Daily outlook slightly bearish** as we expect a weaker GBP going into European trade.
- **Weekly and monthly outlook bearish**.
- Upside momentum continues to slow, and we expect this to gradually tilt GBPMYR into a bearish tone going forward. We now set sights on a break below 5.5459 to trigger a drop to circa 5.5209 in the next leg lower.
- **Continue to expect a potential decline to 5.5250**, otherwise curbed by a close above 5.5712.
- **Key resistances**: 5.5612 (R1), 5.5712 (R2), 5.5858 (R3)
- **Key supports**: 5.5500 (S1), 5.5475 (S2), 5.5446 (S3)
- **Expected range for the day:** 5.5450 – 5.5610

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

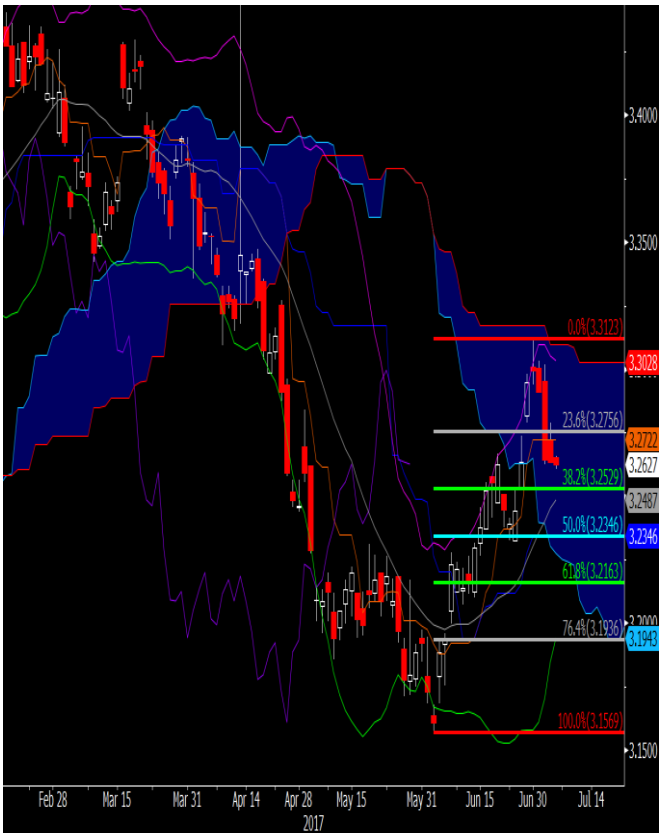
Indicative AUDUSD 0.7595



Source: Bloomberg

- AUDUSD opened unchanged at 0.7603. **Daily outlook bearish**, pressured by renewed weakness in commodities and potentially stronger US data to lift USD.
- **Weekly outlook and monthly outlook bearish**.
- A clear bearish bias has emerged; AUDUSD is inclined to further losses while below 0.7639, and we set sights on a test at 0.7566 next.
- **Continue to expect a potential decline to 0.7570**.
- **Key resistances:** 0.7622 (R1), 0.7639 (R2), 0.7645 (R3)
- **Key supports:** 0.7566 (S1), 0.7542 (S2), 0.7521 (S3)
- **Expected range for the day:** 0.7550– 0.7630

Indicative AUDMYR 3.2627

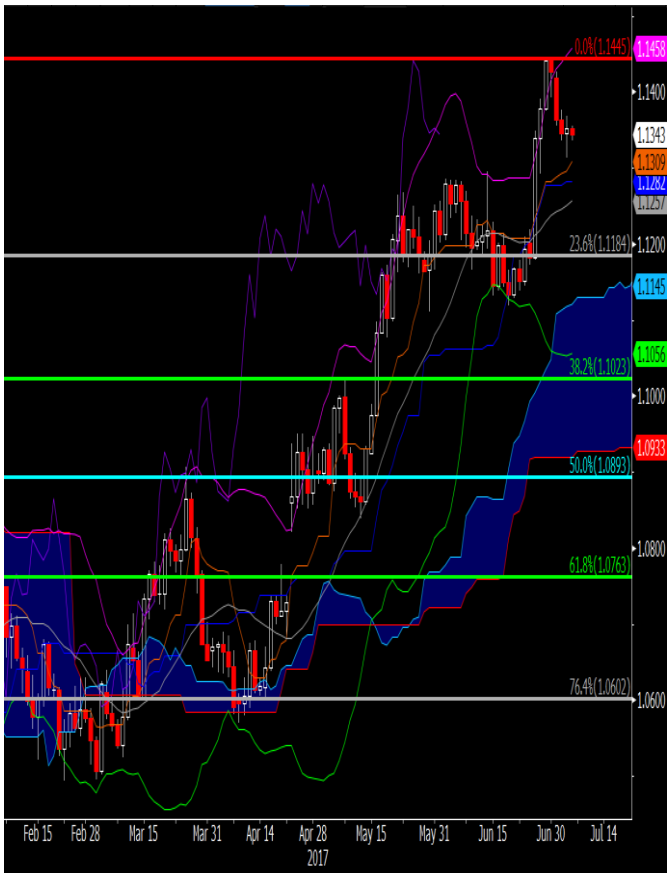


Source: Bloomberg

- AUDMYR opened 21pips higher at 3.2655. **Daily outlook bearish** as AUD is likely to remain weighed down by retreating commodities.
- **Weekly and monthly outlook bearish**.
- AUDMYR is still titled slightly to the downside and inclined to losses going forward. AUDMYR is likely to test 3.2529 in the next leg lower, below which it would head to 3.2346.
- **Continue to expect a potential drop to 3.2460**, otherwise curbed by a close above 3.2756.
- **Key resistances:** 3.2644 (R1), 3.2667 (R2), 3.2756 (R3)
- **Key supports:** 3.2579 (S1), 3.2529 (S2), 3.2486 (S3)
- **Expected range for the day:** 3.2530 – 3.2740

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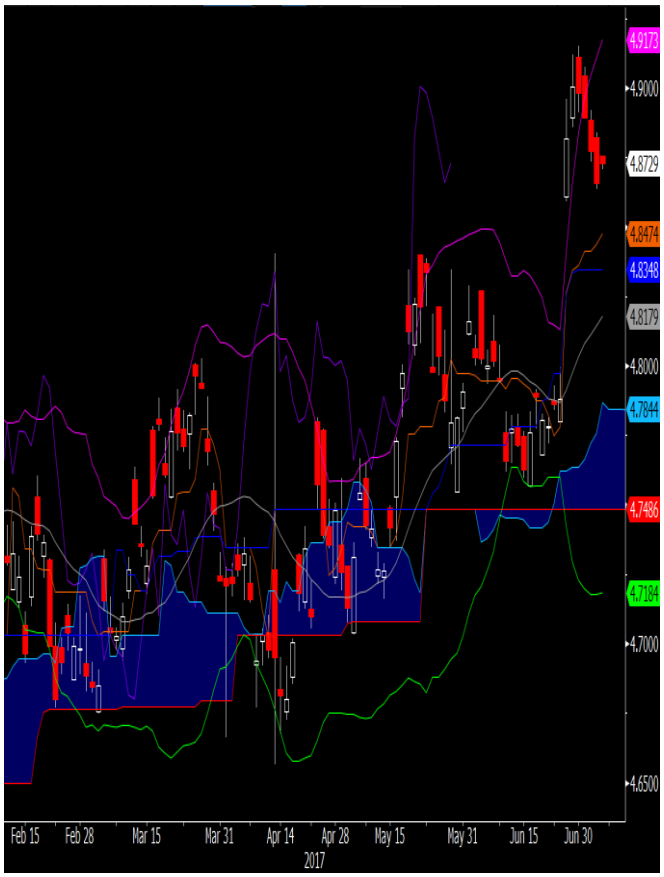
Indicative EURUSD 1.1343



Source: Bloomberg

- EURUSD opened unchanged at 1.1352. **Daily outlook bearish** in anticipation of a firmer USD on potentially stronger US data, but caution that there is room for EUR to rally if ECB meeting minutes reveal discussion regarding the tapering of stimulus programme.
- **Weekly and monthly outlook bearish**.
- We maintain that EURUSD is more inclined to losses than gains; any rebound that fails to beat 1.1450 sustains current technical outlook, which points to near-term drop to 1.1282.
- **Key resistances:** 1.1361 (R1), 1.1377 (R2), 1.1392 (R3)
- **Key supports:** 1.1309 (S1), 1.1282 (S2), 1.1257 (S3)
- **Expected range for the day:** 1.1280 – 1.1360

Indicative EURMYR 4.8729



Source: Bloomberg

- EURMYR opened 99pips higher at 4.8756. **Daily outlook slightly bearish** in anticipation of a weaker EUR in European trade to overturn current gains.
- **Weekly and monthly outlook bearish**.
- Upside momentum continues to slowdown; we reckon that the pair is likely to take aim at 4.8642 next, below which it would target 4.8151 in the longer term.
- **Continue to expect a potential decline to 4.8436**, curbed by a close above 4.8860.
- **Key resistances:** 4.8800 (R1), 4.8860 (R2), 4.8921 (R3)
- **Key supports:** 4.8675 (S1), 4.8634 (S2), 4.8593 (S3)
- **Expected range for the day:** 4.8590 – 4.8770

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