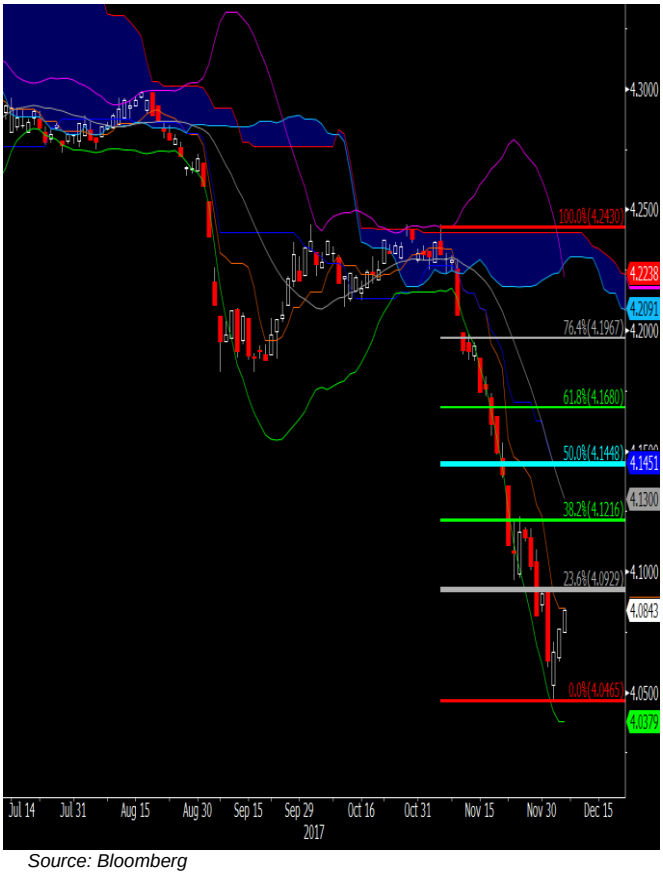
Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

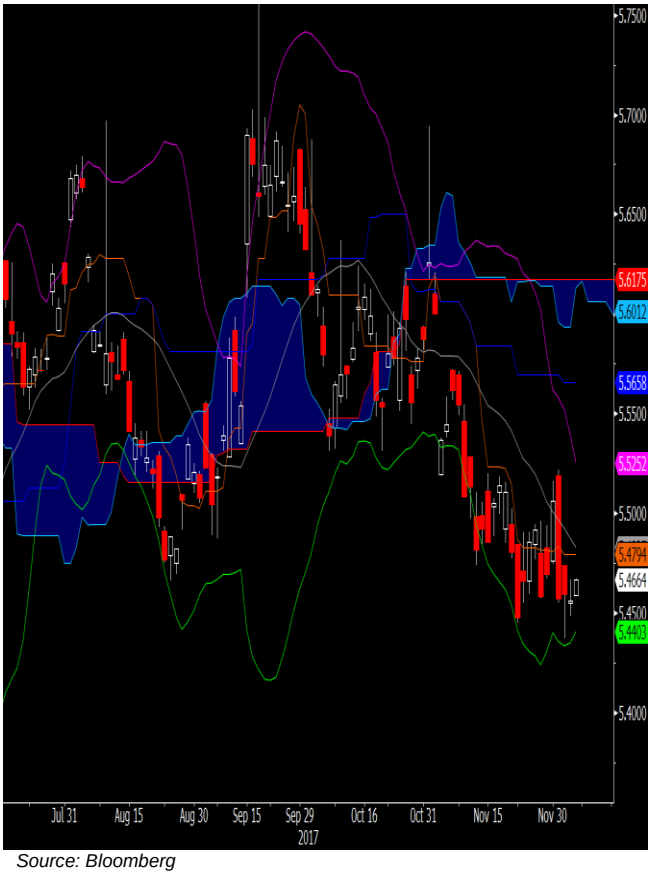
Indicative USDMYR 4.0843



Source: Bloomberg

- USDMYR opened slightly lower today. **Daily outlook slightly bullish** on the back of a firmer USD and emerging signs of wane in MYR buying interest, on top of prevailing risk aversion in the markets.
- **Weekly outlook bearish, monthly outlook neutral**.
- USDMYR is now attempting a rebound. But given that the trend is still in deep bearish territory, we reckon that gains may be shallow and likely restricted by 4.0848 – 4.0929 resistance range. Breaking this range exposes a move to as high as 4.1216.
- **Key resistances:** 4.0850 (R1), 4.0885 (R2), 4.0900 (R3)
- **Key supports:** 4.0800 (S1), 4.0763 (S2), 4.0710 (S3)
- **Expected range for the day:** 4.0750 – 4.0880

Indicative GBPMYR 5.4664

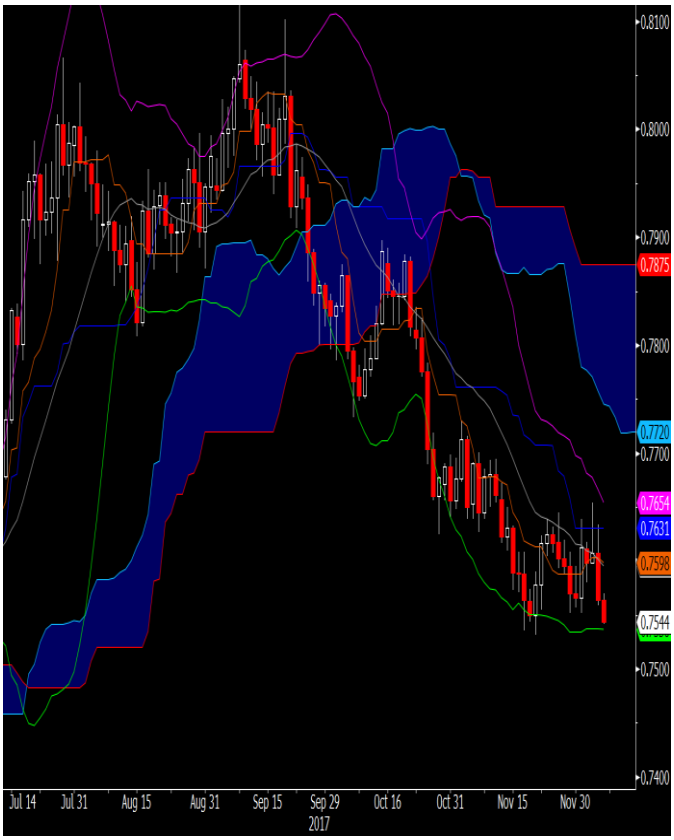


Source: Bloomberg

- GBPMYR opened 29pips higher at 5.4587. **Daily outlook slightly bearish** on continued downsides in GBP from stalled Brexit negotiations damping sentiment.
- **Weekly and monthly outlook bearish**.
- GBPMYR remains on a downward path and could test 5.4365 next. Despite firmer upside momentum, the pair is deep in bearish territory, thus rebounds (if any) would likely be shallow.
- **Continue expect a potential decline to 5.4365**, otherwise curbed by a close above 5.4794.
- **Key resistances**: 5.4700 (R1), 5.4733 (R2), 5.4794 (R3)
- **Key supports**: 5.4614 (S1), 5.4548 (S2), 5.4500 (S3)
- **Expected range for the day:** 5.4480 – 5.4730

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

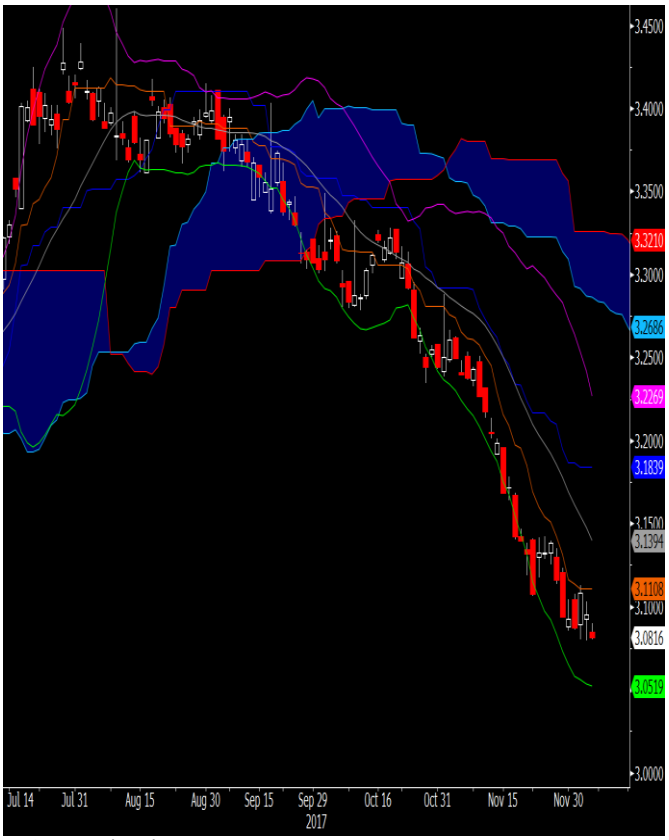
Indicative AUDUSD 0.7544



Source: Bloomberg

- AUDUSD opened unchanged at 0.7564. **Daily outlook bearish** on the back of a firmer USD, more so on risk aversion in the markets.
- **Weekly and monthly outlook bearish**.
- AUDUSD has broken below 0.7566 and technical outlook has turned bearish. There is scope for a decline to 0.7532 next before an attempt at rebound.
- **Continue to expect a potential drop to 0.7530**.
- **Key resistances:** 0.7550 (R1), 0.7568 (R2), 0.7580 (R3)
- **Key supports:** 0.7541 (S1), 0.7537 (S2), 0.7520 (S3)
- **Expected range for the day:** 0.7520 – 0.7570

Indicative AUDMYR 3.0816

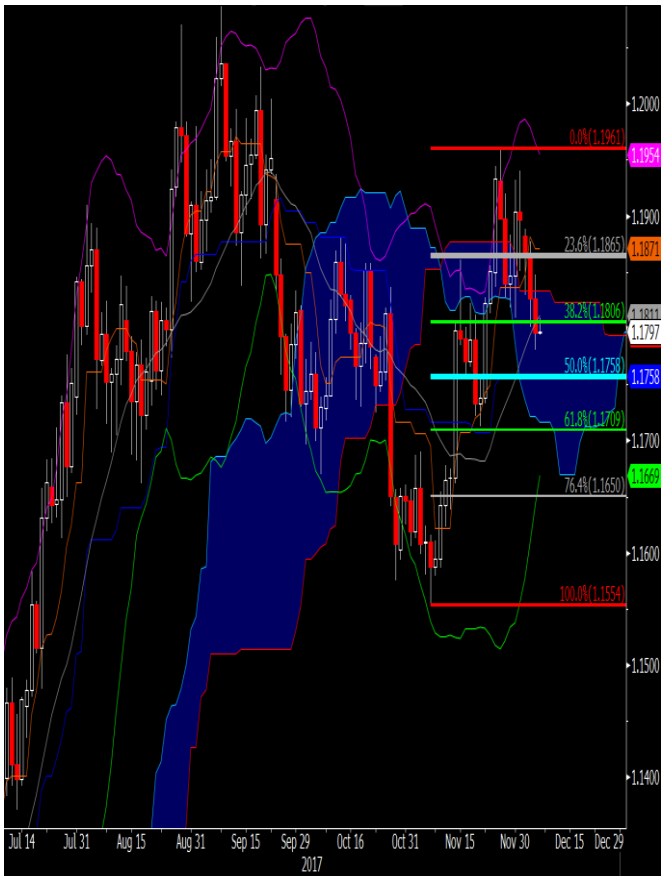


Source: Bloomberg

- AUDMYR opened 105pips lower at 3.0848. **Daily outlook bearish** on a soft AUD that is pressured by risk aversion in the markets.
- **Weekly and monthly outlook bearish**.
- AUDMYR remains technically bearish, with scope to slide to 3.0668 next. Rebounds are still possible, but capped at 3.0955 before moving lower thereafter.
- **Continue to expect a potential decline to 3.0668**, otherwise curbed by a close above 3.0955.
- **Key resistances:** 3.0850 (R1), 3.0898 (R2), 3.0958 (R3)
- **Key supports:** 3.0803 (S1), 3.0785 (S2), 3.0750 (S3)
- **Expected range for the day:** 3.0750 – 3.0900

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

Indicative EURUSD 1.1797

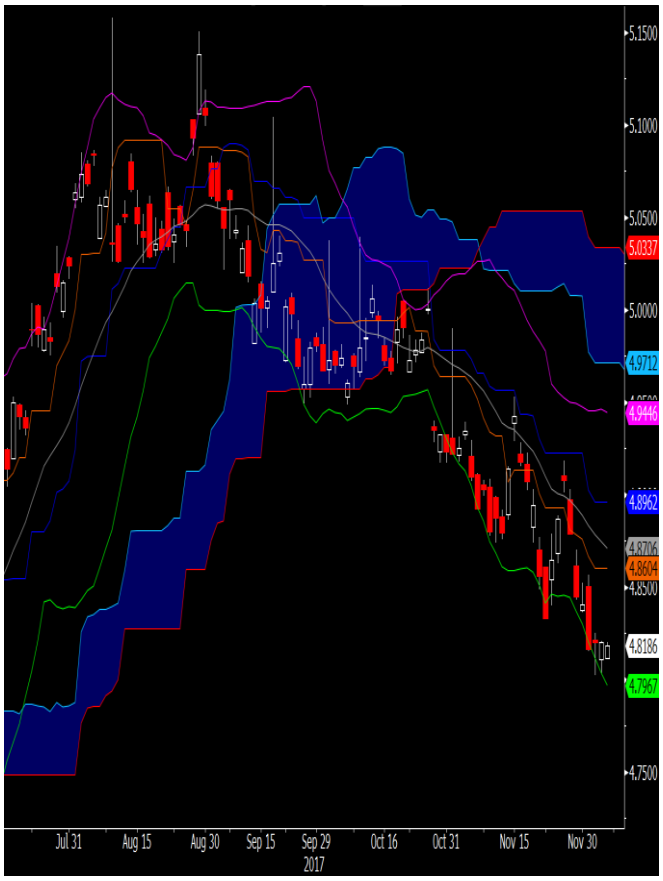


Source: Bloomberg

- EURUSD opened unchanged at 1.1796. **Daily outlook slightly bearish** on the back of a firmer USD, unless Eurozone 3Q final GDP report surprises to the upside.
- **Weekly outlook bearish, monthly outlook bearish**.
- We opine that EURUSD remains on track towards 1.1758 before attempting a sustained rebound. Recent sharp losses have given rise to chance of a rebound, but as long as EURUSD remains capped below 1.1858, a downward direction prevails in the longer run.
- We view that EURUSD's decline to a low of 1.1781 overnight has **fulfilled our expected drop to 1.1780**.
- **Key resistances:** 1.1812 (R1), 1.1834 (R2), 1.1858 (R3)
- **Key supports:** 1.1800 (S1), 1.1781 (S2), 1.1765 (S3)
- **Expected range for the day:** 1.1750 – 1.1810

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

Indicative EURMYR 4.8186



Source: Bloomberg

- EURMYR opened 82pips lower at 4.8118. **Daily outlook slightly bearish** in anticipation of a weaker EUR going into European trade.
- **Weekly and monthly outlook bearish**.
- Further increase in negative momentum continues to pave the way for EURMYR to move lower to test 4.8017 next. But caution that if the pair closes above 4.8165 tomorrow, the technical landscape will be altered and raises the chance of a near-term rebound to 4.8604.
- **Key resistances:** 4.8253 (R1), 4.8337 (R2), 4.8429 (R3)
- **Key supports:** 4.8151 (S1), 4.8100 (S2), 4.8037 (S3)
- **Expected range for the day:** 4.8050 – 4.8220

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.