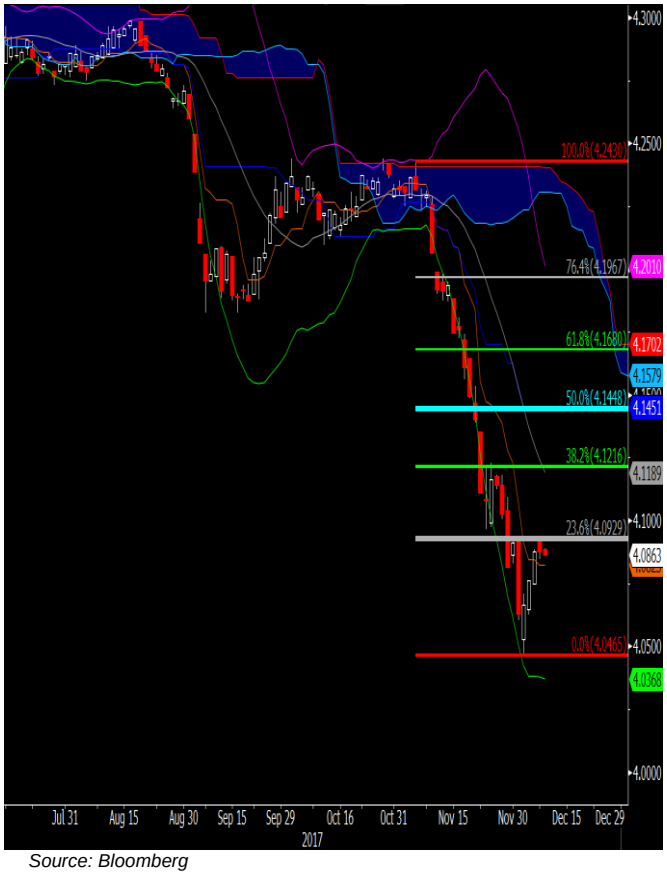
Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

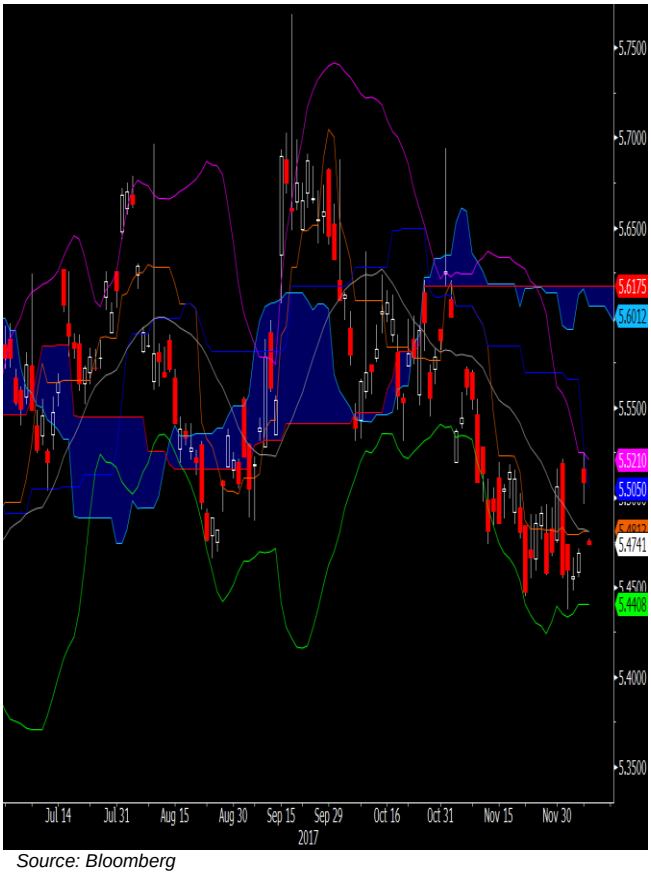
Indicative USDMYR 4.0863



Source: Bloomberg

- USDMYR opened slightly higher today. **Daily outlook slightly bullish** on the back of a firmer USD and on likelihood of rising risk aversion in the markets ahead of FOMC meeting.
- **Weekly and monthly outlook neutral**.
- Despite an early retreat, signs continue to suggest a modest upward move towards 4.0929. Bypassing this exposes a move to 4.1125 – 4.1216 next. But given that the trend is still in deep bearish territory, we reckon that advances may be shallow and unlikely to be protracted.
- **Key resistances:** 4.0885 (R1), 4.0900 (R2), 4.0929 (R3)
- **Key supports:** 4.0845 (S1), 4.0823 (S2), 4.0800 (S3)
- **Expected range for the day:** 4.0820 – 4.0915

Indicative GBPMYR 5.4741

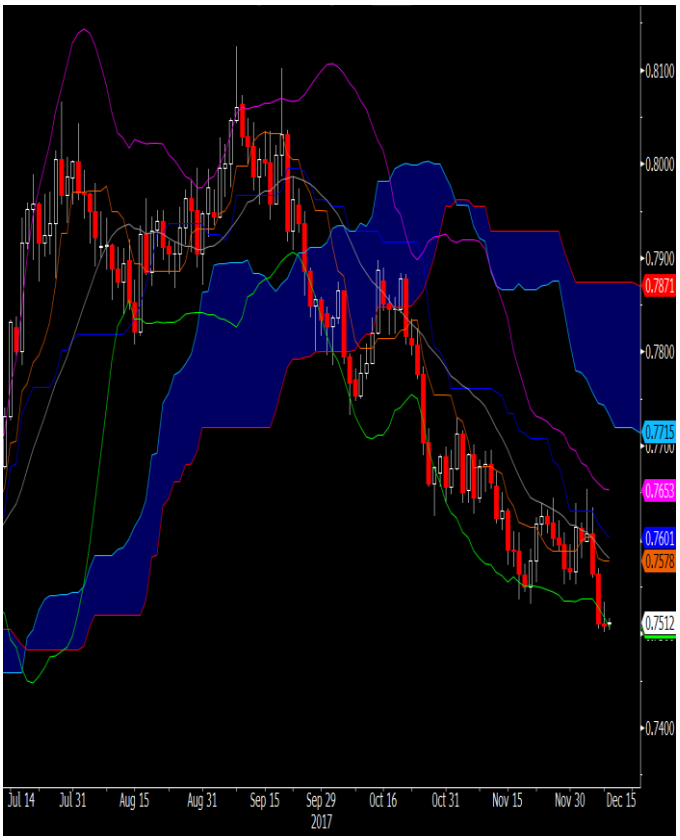


Source: Bloomberg

- GBPMYR opened 325pips lower at 5.4760. **Daily outlook bearish**, pressured by the sharply lower opening.
- **Weekly and monthly outlook bearish**.
- GBPMYR failed to close above 5.5313 last Friday, thus a bearish bias still prevails. Today's gap-down at opening is another bearish sign. GBPMYR now threatens a drop to 5.4365.
- **Continue expect a potential decline to 5.4365**, otherwise curbed by a close above 5.5000.
- **Key resistances**: 5.4813 (R1), 5.4851 (R2), 5.4907 (R3)
- **Key supports**: 5.4730 (S1), 5.4668 (S2), 5.4547 (S3)
- **Expected range for the day:** 5.4660 – 5.4770

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

Indicative AUDUSD 0.7512

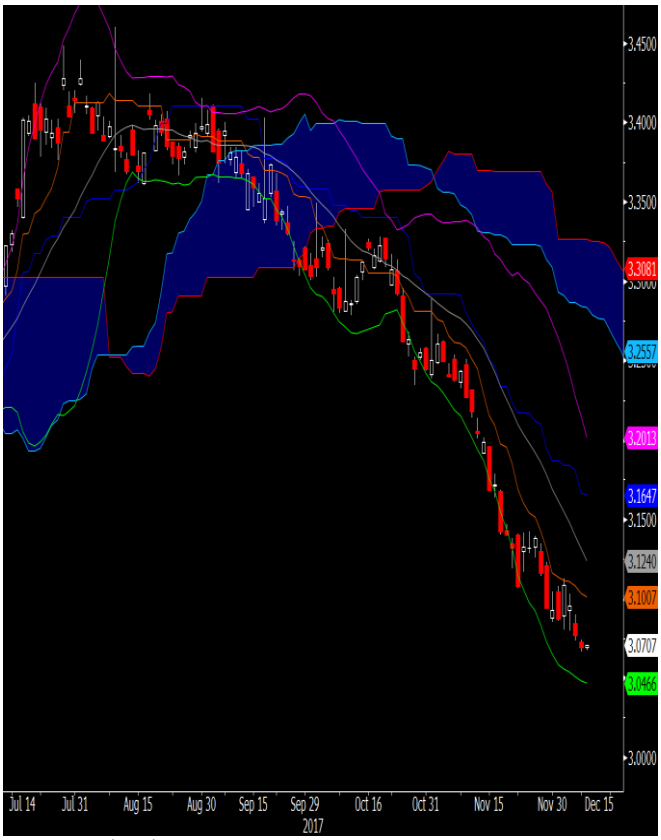


Source: Bloomberg

- AUDUSD opened barely changed at 0.7511. **Daily outlook bearish** on the back of a firmer USD and potential risk-off in the markets heading into FOMC meeting.
- **Weekly and monthly outlook bearish**.
- AUDUSD remains inclined towards the downside amid the emergence of negative momentum. The pair is likely heading for a drop to 0.7470, below which a decline to 0.7400 will be exposed.
- **Continue to expect a potential decline to 0.7440**, otherwise curbed by a close above 0.7545.
- **Key resistances:** 0.7517 (R1), 0.7545 (R2), 0.7578 (R3)
- **Key supports:** 0.7500 (S1), 0.7485 (S2), 0.7470 (S3)
- **Expected range for the day:** 0.7490 – 0.7525

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

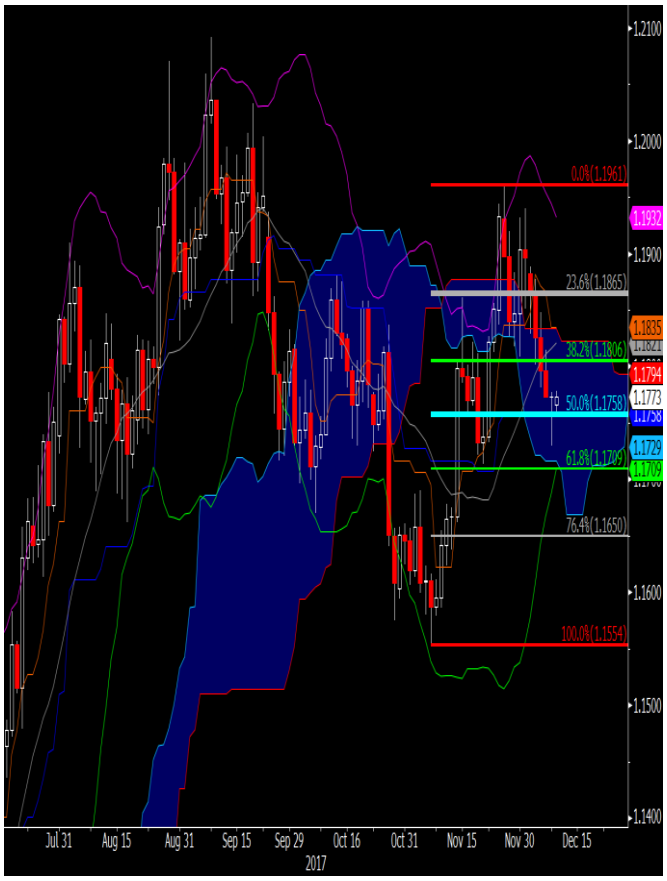
Indicative AUDMYR 3.0707



Source: Bloomberg

- AUDMYR opened unchanged at 3.0694. **Daily outlook slightly bearish** in anticipation of further weakness in AUD from likelihood of emergence of risk aversion in the markets.
- **Weekly and monthly outlook bearish**.
- AUDMYR trend is still in deep bearish territory, thus rebound will likely be shallow, possibly restricted to circa 3.0895. There is room for a drop to 3.0464 next.
- **AUDMYR has expectedly declined to 3.0668** last Friday.
- **Key resistances:** 3.0742 (R1), 3.0803 (R2), 3.0852 (R3)
- **Key supports:** 3.0660 (S1), 3.0625 (S2), 3.0600 (S3)
- **Expected range for the day:** 3.0600 – 3.0715

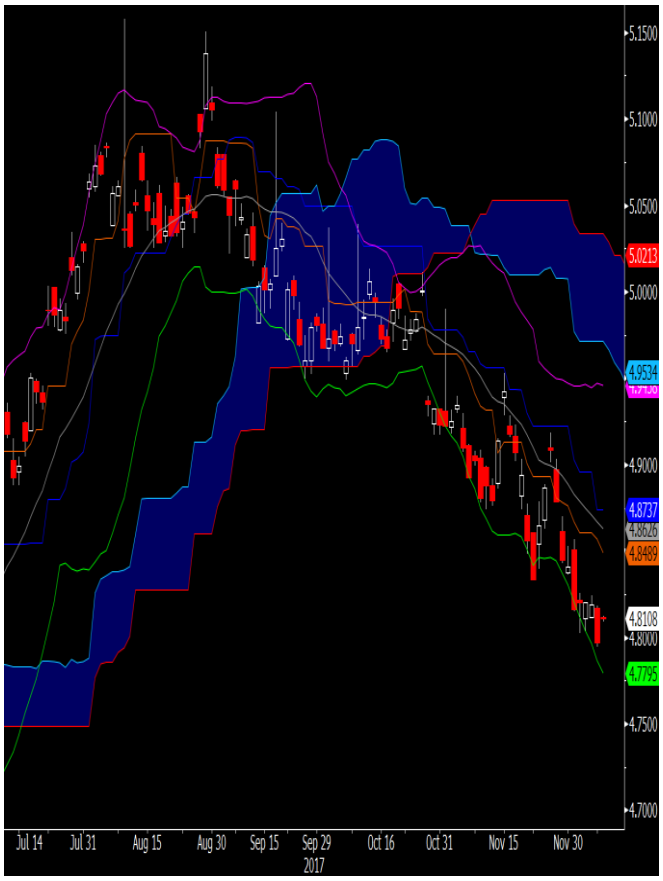
Indicative EURUSD 1.1773



Source: Bloomberg

- EURUSD opened 7pips lower at 1.1766. **Daily outlook bearish** on the back of a firmer USD; direction will rely on performance of the greenback amid an absence of catalysts.
- **Weekly and monthly outlook bearish**.
- The 1.1758 level we previously noted appears to be supporting a rebound in EURUSD. We view this as corrective in nature and likely to fizzle out before 1.1800. Caution that a close below 1.1758 will invigorate the bears and push EURUSD lower to 1.1709.
- **Expect a potential decline to 1.1709**, otherwise curbed by a close above 1.1806.
- **Key resistances:** 1.1781 (R1), 1.1806 (R2), 1.1834 (R3)
- **Key supports:** 1.1758 (S1), 1.1730 (S2), 1.1717 (S3)
- **Expected range for the day:** 1.1720 – 1.1780

Indicative EURMYR 4.8108



Source: Bloomberg

- EURMYR opened 146pips higher at 4.8119. **Daily outlook slightly bullish**, supported by the sharply higher opening, but caution that gains may narrow in European trade.
- **Weekly and monthly outlook bearish**.
- As EURMYR is deep in the bearish territory, we reckon that further declines are likely though a rebound cannot be ruled out. Gains from this rebound are likely capped by 4.8365 – 4.8416 before resuming the current downtrend.
- **Expect a potential decline to 4.7780**, otherwise curbed by a close above 4.8365.
- **Key resistances:** 4.8151 (R1), 4.8211 (R2), 4.8365 (R3)
- **Key supports:** 4.8100 (S1), 4.8037 (S2), 4.8000 (S3)
- **Expected range for the day:** 4.8030 – 4.8180

** 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.