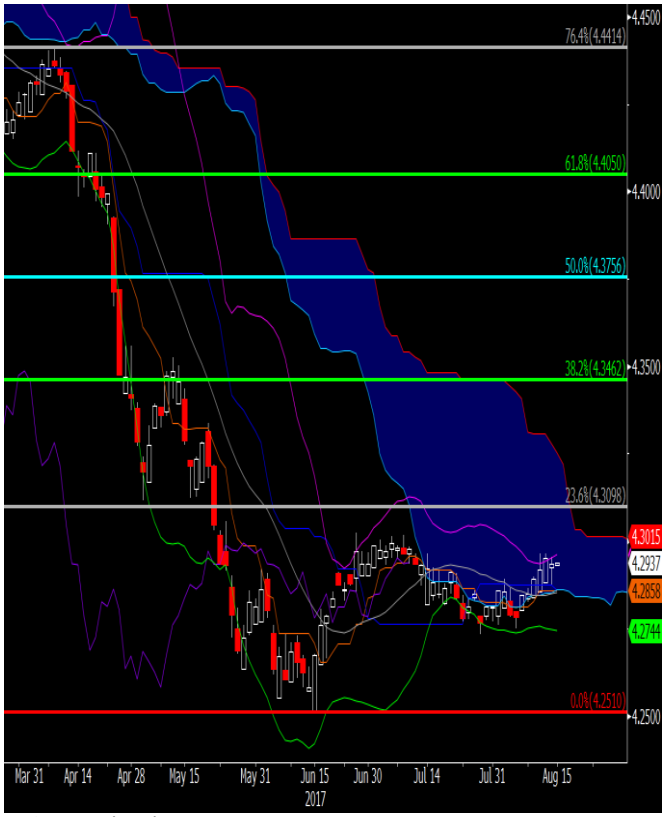
Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

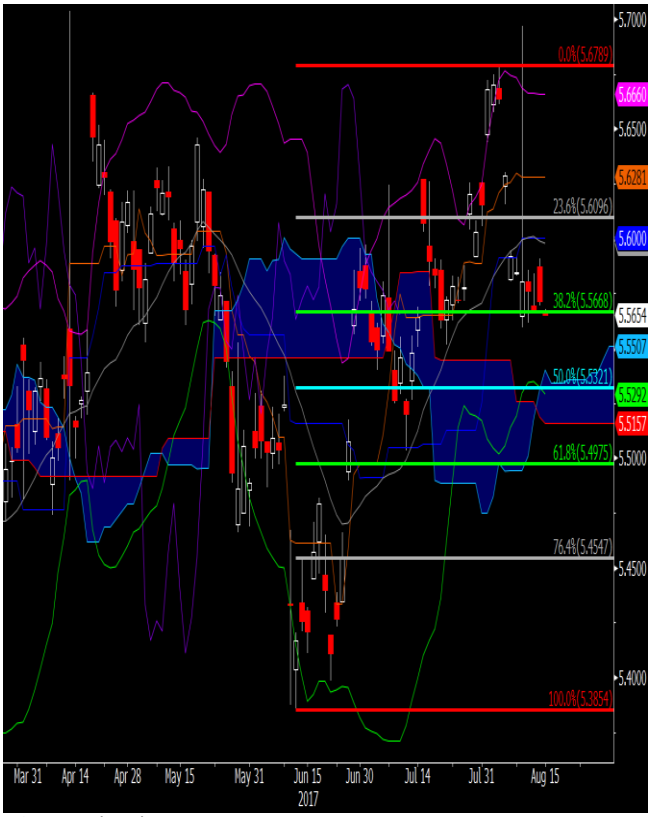
Indicative USDMYR 4.2937



Source: Bloomberg

- USDMYR opened barely changed today. **Daily outlook slightly bearish** on the back of a lower opening but we expect losses to narrow towards the end of the day amid prevailing risk-off in the markets.
- **Weekly and monthly outlook bullish**.
- Bullish bias continues to prevail in USDMYR, indicating that upwards trajectory sustains. USDMYR has beaten our target at 4.2910 and is now likely on its way to 4.2977.
- **Continue to expect a potential climb to 4.2977**, otherwise curbed by a close below 4.2910.
- **Key resistances:** 4.2955 (R1), 4.2977 (R2), 4.3000 (R3)
- **Key supports:** 4.2920 (S1), 4.2907 (S2), 4.2890 (S3)
- **Expected range for the day:** 4.2920 – 4.3000

Indicative GBPMYR 5.5654

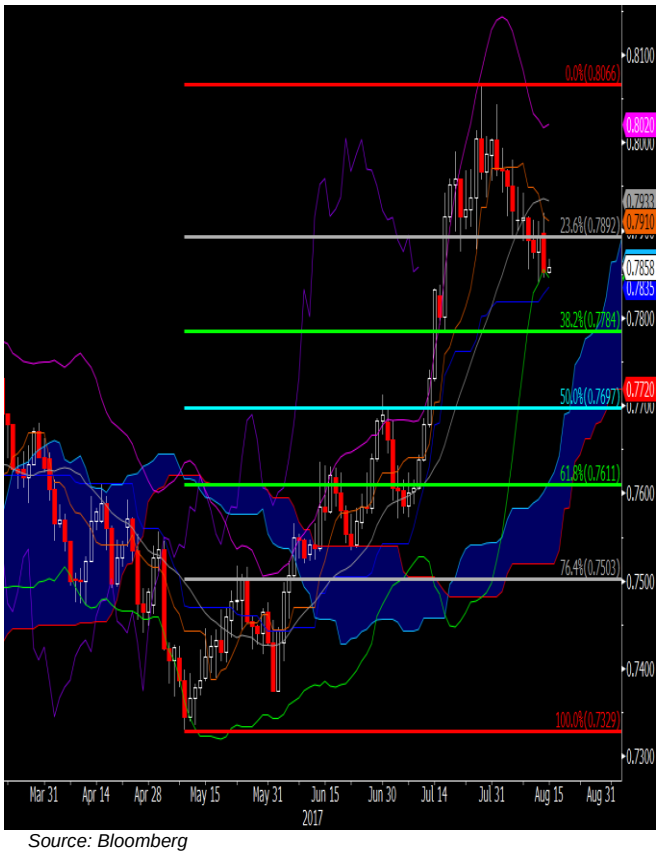


Source: Bloomberg

- GBPMYR opened 53pips lower at 5.5664. **Daily outlook slightly bearish** in anticipation of further GBP retreat ahead of UK price reports.
- **Weekly and monthly outlook bearish**.
- GBPMYR failed to hold sharp gains yesterday. The pair is still technically bearish and remains exposed to a drop to 5.5321 in the next leg lower. Rebounds, if any, will likely be stemmed by 5.6000. Breaking below 5.5568 will be crucial to downside bias.
- **Continue to expect a potential decline to 5.5540**.
- **Key resistances**: 5.5668 (R1), 5.5750 (R2), 5.5802 (R3)
- **Key supports**: 5.5638 (S1), 5.5596 (S2), 5.5517 (S3)
- **Expected range for the day:** 5.5600 – 5.5740

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

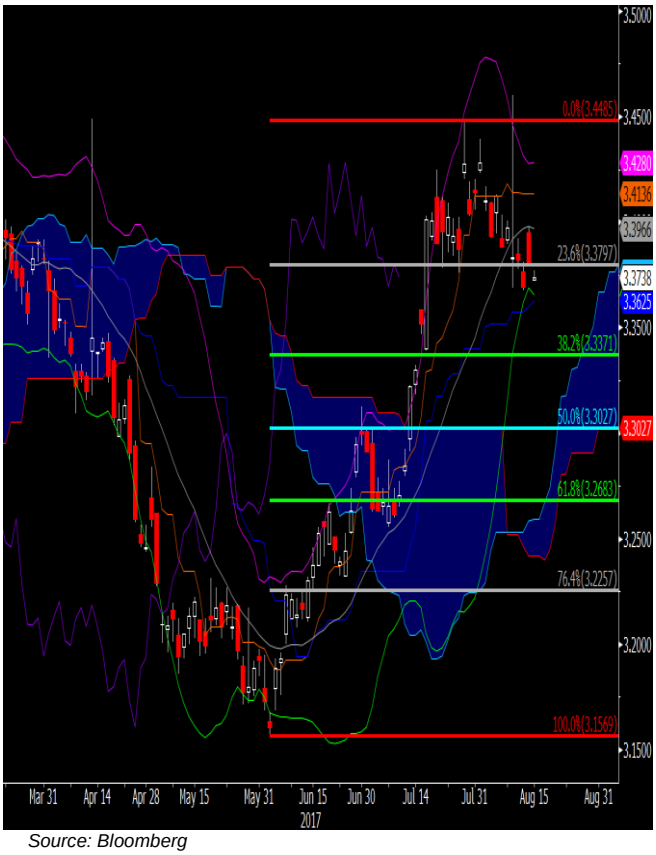
Indicative AUDUSD 0.7858



Source: Bloomberg

- AUDUSD opened unchanged at 0.7852. **Daily outlook bearish** in anticipation of continued risk-off in the markets.
- **Weekly and monthly outlook bearish**.
- AUDUSD remains on track towards 0.7818 in the next leg lower. A drop to circa 0.7784 is expected from this reversal, but do not rule out further losses beyond this.
- **AUDUSD expectedly declined to 0.7850** yesterday.
- **Key resistances:** 0.7892 (R1), 0.7910 (R2), 0.7933 (R3)
- **Key supports:** 0.7835 (S1), 0.7800 (S2), 0.7784 (S3)
- **Expected range for the day:** 0.7780 – 0.7880

Indicative AUDMYR 3.3738

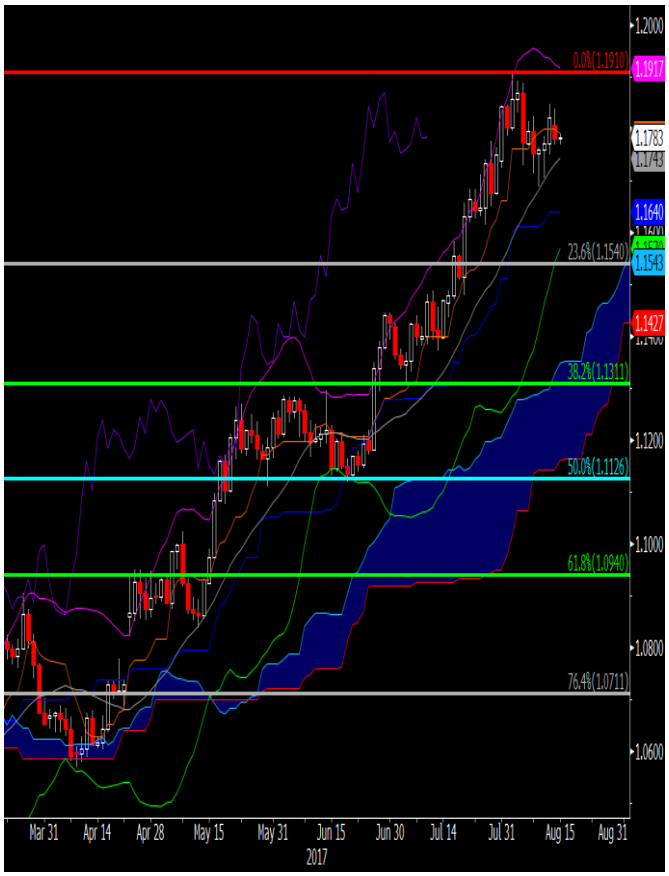


Source: Bloomberg

- AUDMYR opened 71pips lower at 3.3726. **Daily outlook slightly bearish**, weighed down by the lower opening as well as risk aversion ahead of RBA minutes.
- **Weekly and monthly outlook bearish**.
- AUDMYR failed to push higher despite retaking above 3.3797, and today's opening below this crucial support level is likely to pressure the pair further.
- **Continue to expect a potential decline to 3.3430**, otherwise curbed by a close above 3.3950.
- **Key resistances:** 3.3797 (R1), 3.3811 (R2), 3.3895 (R3)
- **Key supports:** 3.3693 (S1), 3.3625 (S2), 3.3600 (S3)
- **Expected range for the day:** 3.3680 – 3.3800

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

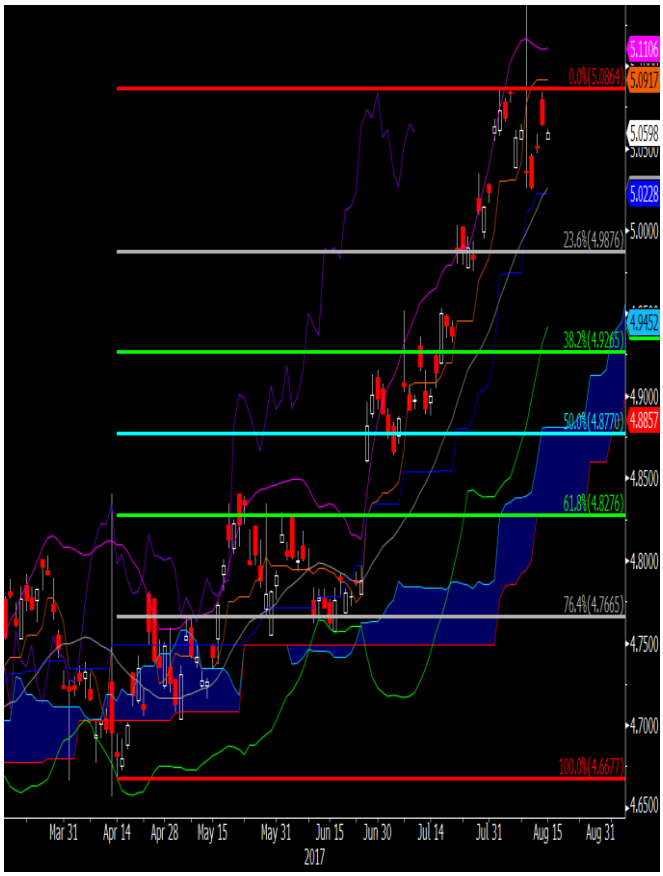
Indicative EURUSD 1.1783



Source: Bloomberg

- EURUSD opened unchanged at 1.1780. **Daily outlook slightly bearish**, on the back of prevailing risk aversion in the markets and likelihood of correction after Friday's gain.
- **Weekly and monthly outlook bearish**.
- Despite a close above 1.1800, EURUSD appears toppish and continues to see negative momentum. We maintain our view for a slide below 1.1700 and potentially set off a drop to 1.1583 in the coming weeks.
- **Continue to expect a potential decline to 1.1650**, otherwise curbed by a close above 1.1830.
- **Key resistances:** 1.1791 (R1), 1.1800 (R2), 1.1830 (R3)
- **Key supports:** 1.1764 (S1), 1.1743(S2), 1.1712 (S3)
- **Expected range for the day:** 1.1730 – 1.1820

Indicative EURMYR 5.0598



Source: Bloomberg

- EURMYR opened 95pips lower at 5.0555. **Daily outlook slightly bearish** in anticipation of further retreat in EUR going into European trade.
- **Weekly and monthly outlook bearish**.
- EURMYR remains prone to the downsides and continue to expect a slide to below 5.0246. Below this, EURMYR will likely head to 4.9900.
- **Continue to expect a potential drop to 5.0100**, otherwise curbed by a close above 5.0720.
- **Key resistances:** 5.0600 (R1), 5.0646 (R2), 5.0684 (R3)
- **Key supports:** 5.0525 (S1), 5.0465 (S2), 5.0387 (S3)
- **Expected range for the day:** 5.0530 – 5.0680

** 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 6, Wisma Hong Leong
18, Jalan Perak
50450 Kuala Lumpur
Tel: 603-2773 0469
Fax: 603-2164 9305
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.