HongLeong Bank

Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

Indicative USDMYR 4.2190



Source: Bloomberg

- USDMYR opened sharply lower again today. **Daily outlook slightly bearish** amid a soft USD and improving risk appetite in the market.
- **Weekly outlook bearish, monthly outlook neutral**.
- Friday's extended close above 4.2200 has dampened bearish momentum in USDMYR. We are neutral on this pair technically, with direction expected to be determined if USDMYR can hold below 4.2200.
- **Key resistances:** 4.2200 (R1), 4.2225 (R2), 4.2240 (R3)
- **Key supports:** 4.2100 (S1), 4.2075 (S2), 4.2050 (S3)
- **Expected range for the day:** 4.2125 – 4.2220

Indicative GBPMYR 5.6034

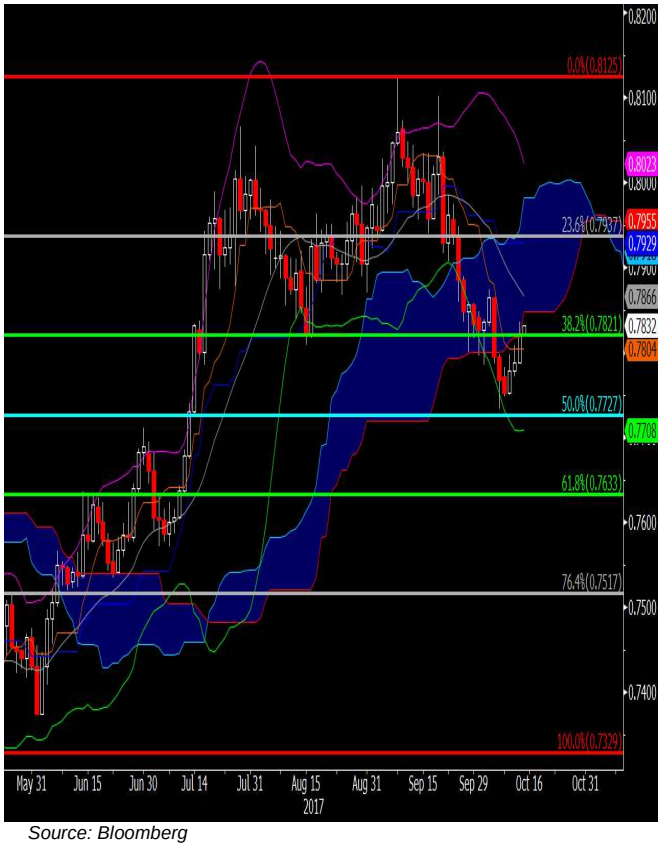


Source: Bloomberg

- GBPMYR opened 12pips lower at 5.6021. **Daily outlook slightly bullish**, in anticipation of a firmer sterling on the back of a soft USD.
- **Weekly outlook bullish, monthly outlook bearish**.
- Bearish technical signs continue to abate, paving the way for GBPMYR to push higher. Holding above 5.5836 will likely allow GBPMYR to test 5.6094 – 5.6279 in the next leg higher.
- **Continue to expect a potential climb to 5.6250**, invalidated by a close below 5.5800.
- **Key resistances**: 5.6043 (R1), 5.6094 (R2), 5.6126 (R3)
- **Key supports**: 5.5918 (S1), 5.5831 (S2), 5.5800 (S3)
- **Expected range for the day:** 5.5920 – 5.6100

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

Indicative AUDUSD 0.7871



Source: Bloomberg

- AUDUSD opened 11pips lower at 0.7876. **Daily outlook bullish** on the back of improving risk appetite in the markets and extended gains in commodities.
- **Weekly outlook bullish, monthly outlook bearish**.
- The pair closed above 0.7848 Friday and momentum indicators have turned positive for the first time since mid-September. AUDUSD is on track to test 0.7900 next.
- **Key resistances:** 0.7900 (R1), 0.7928 (R2), 0.7937 (R3)
- **Key supports:** 0.7867 (S1), 0.7821 (S2), 0.7804 (S3)
- **Expected range for the day:** 0.7800 – 0.7900

Indicative AUDMYR 3.3214



Source: Bloomberg

- AUDMYR opened 123pips higher at 3.3242. **Daily outlook bullish** as AUD strength is expected to outweigh slight bullishness in MYR.
- **Weekly outlook bullish; monthly outlook bearish**.
- Even though technical remain bearish, momentum indicator has turned positive, signaling the pair is testing 3.3253 in the next leg higher. However, it is possible that the pair declines to 3.2930 but unless it closes below this level, we would view this as a pullback.
- **Key resistances:** 3.3256 (R1), 3.3300 (R2), 3.3371 (R3)
- **Key supports:** 3.3166 (S1), 3.3121 (S2), 3.3000 (S3)
- **Expected range for the day:** 3.3170 – 3.3260

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Indicative EURUSD 1.1805



Source: Bloomberg

- EURUSD opened slightly higher at 1.1825. **Daily outlook neutral** as the pair looks for fresh catalysts with likelihood of little influence from economic data today.
- **Weekly outlook bullish, monthly outlook bearish**.
- The pair remains technically bullish, thus we maintain that EURUSD will target a move to 1.1907 – 1.1917. We caution that this level could reject further advances and lead to a decline in the coming weeks.
- **Key resistances:** 1.1844 (R1), 1.1859 (R2), 1.1881 (R3)
- **Key supports:** 1.1800 (S1), 1.1775 (S2), 1.1733 (S3)
- **Expected range for the day:** 1.1770 – 1.1840

Indicative EURMYR 4.9796



Source: Bloomberg

- EURMYR opened 132pips lower at 4.9808. **Daily outlook bearish** on the back of a firmer MYR and soft EUR.
- **Weekly outlook bullish, monthly outlook bearish**.
- EURMYR remains technically bullish even though positive momentum has somewhat retreated. The pair is likely taking aim at 5.0149, which if broken will set a course for 5.0339.
- **Continue to expect a potential advance to 5.0330**, invalidated by a close below 4.9880.
- **Key resistances:** 4.9886 (R1), 4.9966 (R2), 5.0000 (R3)
- **Key supports:** 4.9794 (S1), 4.9749 (S2), 4.9618 (S3)
- **Expected range for the day:** 4.9750 – 4.9900

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