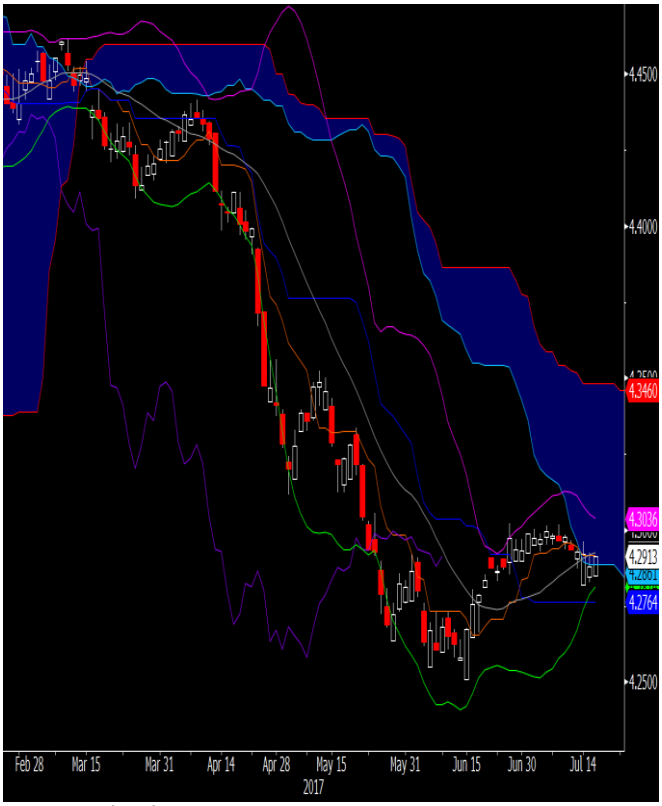
HongLeong Bank

# Global Markets Research

## FX Strategy

## Daily Currency Outlook – 11am edition

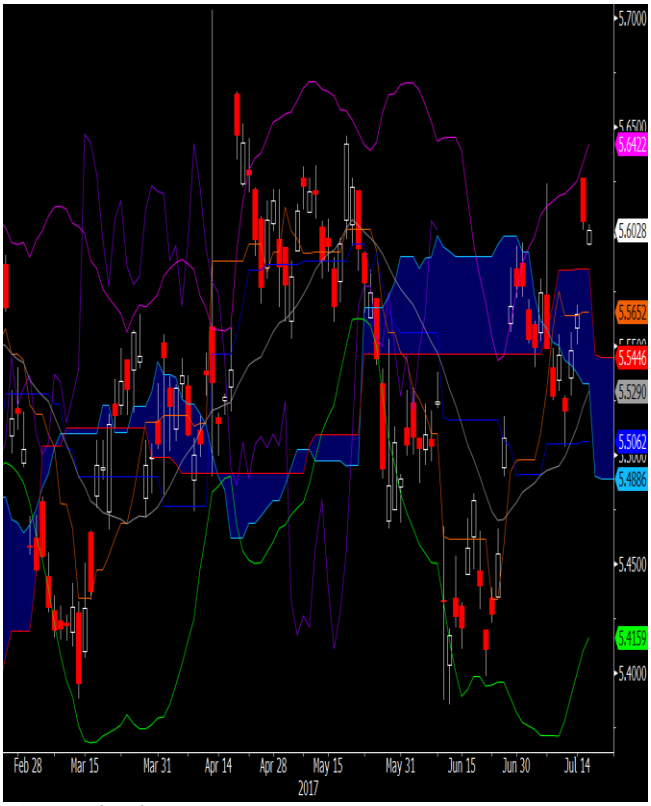
### Indicative USDMYR 4.2913




*Source: Bloomberg*

- USDMYR opened lower today. **Daily outlook slightly bearish** on the back of a soft USD while MYR is likely to find support from firmer regional sentiment.
- **Weekly and monthly outlook bearish**.
- Despite an early rally, we note that upside momentum continues to thin and will likely overturn current gains, possibly into losses even. Losing 4.2870 exposes a drop to 4.764 in the next leg lower.
- **Continue to expect a potential decline to 4.2785**, otherwise curbed by a close above 4.2951.
- **Key resistances:** 4.2919 (R1), 4.2951 (R2), 4.2980 (R3)
- **Key supports:** 4.2886 (S1), 4.2870 (S2), 4.2813 (S3)
- **Expected range for the day:** 4.2820 – 4.2920

### Indicative GBPMYR 5.6028

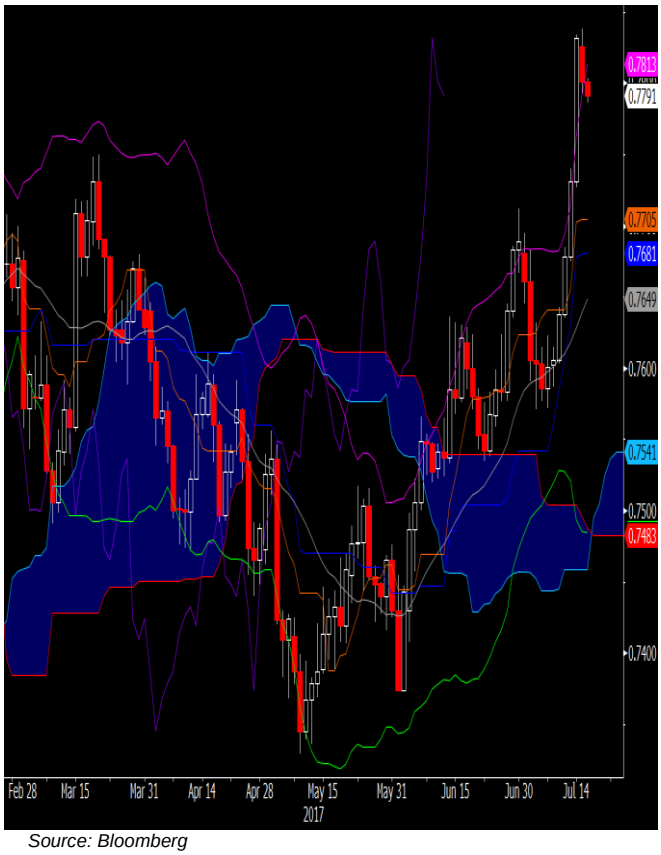



*Source: Bloomberg*

- GBPMYR opened 107pips lower at 5.5965. **Daily outlook neutral** – despite an early rally to overturn the gap down at opening, we expect risk aversion in GBP to prevail ahead of UK price reports.
- **Weekly outlook bullish, monthly outlook bearish**.
- We maintain that GBPMYR remains poised to soon test 5.6360. However, we opine that recent sharp upward move is hardly sustainable in the longer- term, thus anticipate potential rejection approaching 5.6500.
- **Key resistances**: 5.6079 (R1), 5.6146 (R2), 5.6244 (R3)
- **Key supports**: 5.6000 (S1), 5.5969 (S2), 5.5859 (S3)
- **Expected range for the day:** 5.5950 – 5.6100

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

## Indicative AUDUSD 0.7791

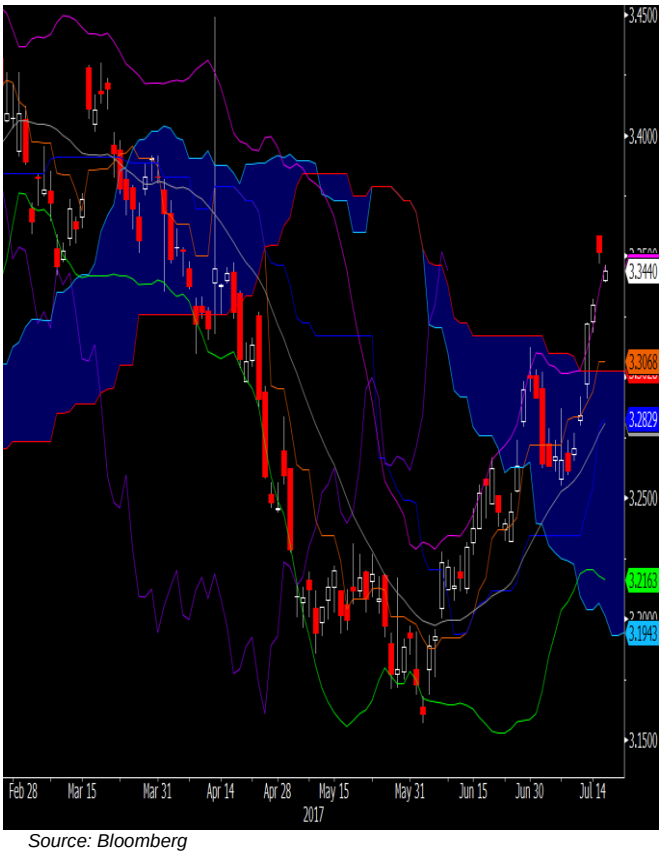



*Source: Bloomberg*

- AUDUSD opened unchanged at 0.7801. **Daily outlook slightly bearish** in anticipation of risk aversion in the FX space ahead of Brexit negotiations, ECB and BOJ meetings.
- **Weekly and monthly outlook bearish**.
- Bullish bias in AUDUSD means we cannot rule out a test at 0.7880 – 0.7900. However, we continue to express skepticism that the pair could muster enough strength to venture higher given that it still trends within a territory that has historically rejected further advances.
- **Continue to expect a potential decline to 0.7700** going forward, otherwise curbed by a close 0.7880.
- **Key resistances:** 0.7813 (R1), 0.7838 (R2), 0.7880 (R3)
- **Key supports:** 0.7750 (S1), 0.7731 (S2), 0.7705 (S3)
- **Expected range for the day:** 0.7760 – 0.7840

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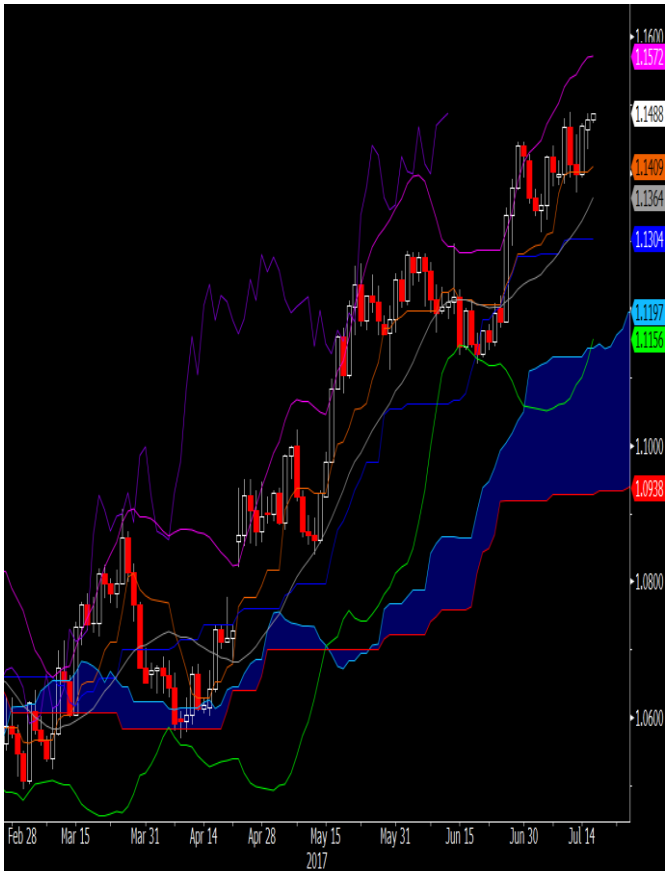
## Indicative AUDMYR 3.3440




*Source: Bloomberg*

- AUDMYR opened 116pips lower at 3.3401. **Daily outlook slightly bearish**, weighed down by the sharply lower opening; AUDMYR is likely to fade the early rally.
- **Weekly outlook bullish, monthly outlook bearish**.
- Bullish bias continues to strengthen in AUDMYR, suggesting some gains may still prevail before fizzling out. We suspect reversal towards lower levels may be approaching; extended closes above the reversion level at 3.3358 is likely to trigger a near-term decline below that level.
- **Key resistances:** 3.3466 (R1), 3.3500 (R2), 3.3584 (R3)
- **Key supports:** 3.3390 (S1), 3.3358 (S2), 3.3323 (S3)
- **Expected range for the day:** 3.3340 – 3.3520

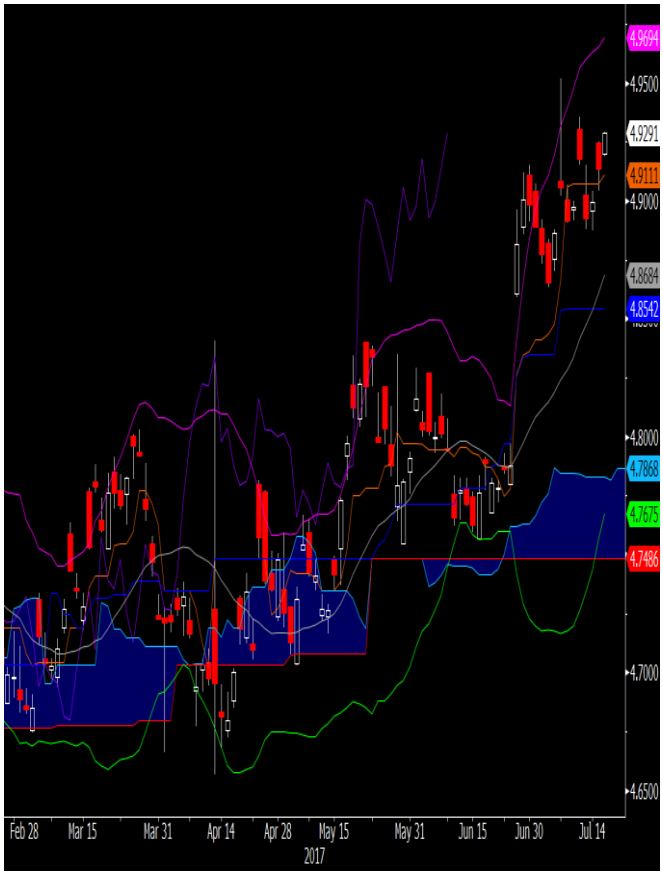
## Indicative EURUSD 1.1488




*Source: Bloomberg*

- EURUSD opened unchanged at 1.1478. **Daily outlook bullish to the extent of USD's weakness**; we caution that soft Eurozone data would t rigger a reversal to the downside.
- **Weekly and monthly outlook bearish**.
- We maintain the view that EURUSD is technically fragile as it approaches 1.1500 with a price-momentum divergence. Soft gains are expected and we cannot rule out tests at 1.1500 – 1.1520 but remain unconvinced that current upside strength can be sustained.
- **Key resistances:** 1.1500 (R1), 1.1520 (R2), 1.1550 (R3)
- **Key supports:** 1.1480 (S1), 1.1467 (S2), 1.1435 (S3)
- **Expected range for the day:** 1.1460 – 1.1550

## Indicative EURMYR 4.9291




*Source: Bloomberg*

- EURMYR opened 60pips higher at 4.9198. **Daily outlook bullish** in anticipation of EUR holding firm, particularly going into European trade.
- **Weekly outlook bullish, monthly outlook bearish**.
- Despite bullish bias, price-momentum divergence has emerged, hinting at potential reversal to lower levels going forward. Meanwhile, gains remain possible but likely to fizzle out approaching 4.9520.
- **EURMYR is now unlikely to fall to 4.8542**.
- **Key resistances:** 4.9358 (R1), 4.9420 (R2), 4.9500 (R3)
- **Key supports:** 4.9188 (S1), 4.9111 (S2), 4.9000 (S3)
- **Expected range for the day:** 4.9150 – 4.9520

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