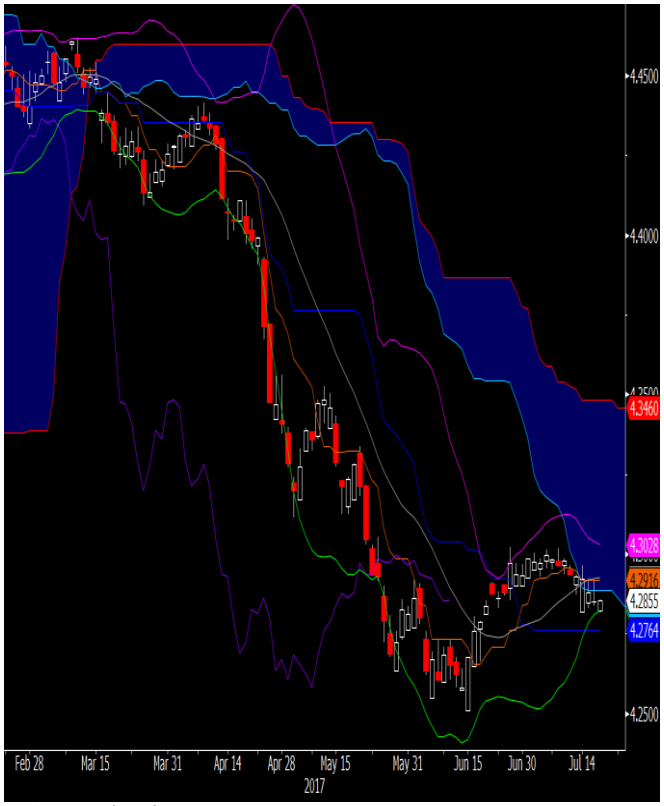
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FX Strategy

Daily Currency Outlook – 11am edition

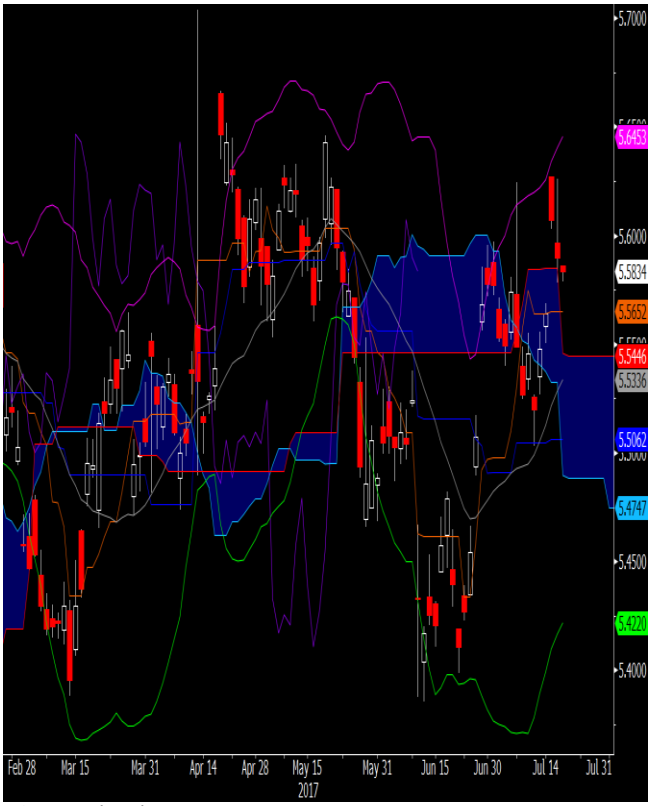
Indicative USDMYR 4.2855



Source: Bloomberg

- USDMYR opened slightly lower today. **Daily outlook bearish** on the back of a weak USD, but caution that MYR is vulnerable if the greenback rebounds.
- **Weekly and monthly outlook bearish**.
- A mild bearish bias has emerged, tilting USDMYR further downward. We expect the pair to be heading to 4.2764 in the next leg lower.
- **Continue to expect a potential decline to 4.2785**, otherwise curbed by a close above 4.2916.
- **Key resistances:** 4.2869 (R1), 428862951 (R2), 4.2916 (R3)
- **Key supports:** 4.2835 (S1), 4.2800 (S2), 4.2764 (S3)
- **Expected range for the day:** 4.2780 – 4.2880

Indicative GBPMYR 5.5834

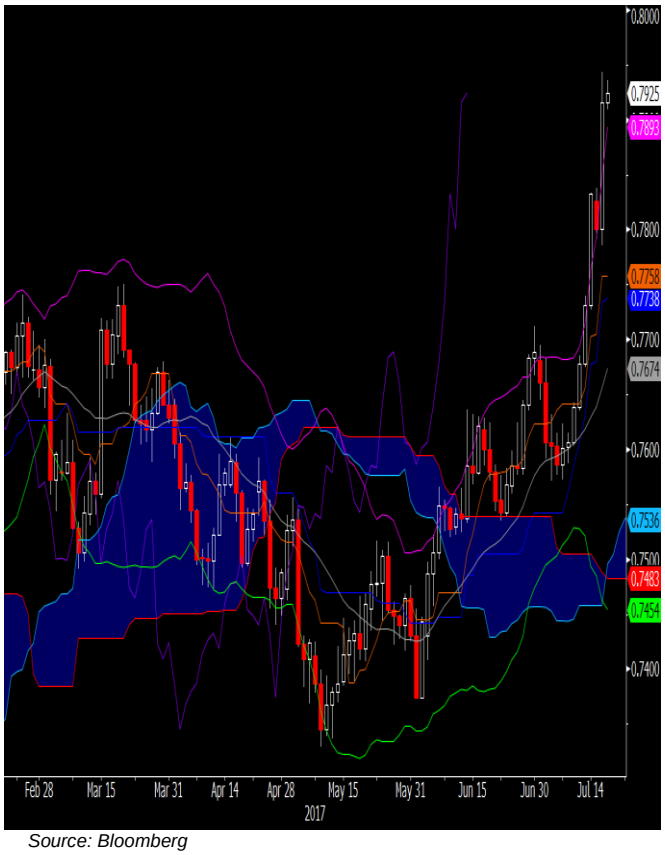


Source: Bloomberg

- GBPMYR opened 41pips lower at 5.5859. **Daily outlook bearish**, weighed down by renewed negative sentiment amid Brexit concerns and slowing UK inflation, damping rate hike speculation.
- **Weekly and monthly outlook bearish**.
- GBPMYR lost upside traction earlier than we had expected. We opine that overnight's rejection at 5.6259 to likely be the onset of a longer-term decline. Recapturing above 5.6259 negates this view.
- **Expect a potential decline to 5.5460**, otherwise curbed by a close above 5.6031.
- **Key resistances**: 5.5892 (R1), 5.6031 (R2), 5.6244 (R3)
- **Key supports**: 5.5723 (S1), 5.5652 (S2), 5.5603 (S3)
- **Expected range for the day:** 5.5780 – 5.5900

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

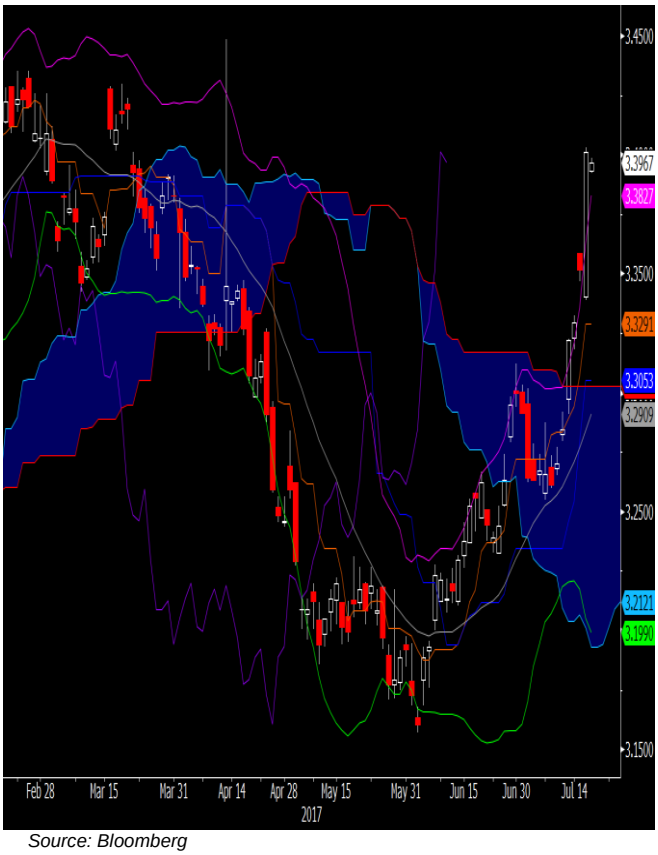
Indicative AUDUSD 0.7925



Source: Bloomberg

- AUDUSD opened unchanged at 0.7916. **Daily outlook bullish** on the back of a weak USD; there is an absence of catalyst to drive AUD, therefore, caution that it will be vulnerable to a USD rebound.
- **Weekly outlook bullish, monthly outlook bearish**.
- Closing above 0.7900 has increased the likelihood of AUDUSD sustaining gains for an extended period of time. Nonetheless, we point to 0.8000 as another strong resistance that could stop AUDUSD in its tracks.
- **AUDUSD is now unlikely to decline to 0.7700**.
- **Key resistances:** 0.7935 (R1), 0.7950 (R2), 0.7980 (R3)
- **Key supports:** 0.7894 (S1), 0.7834 (S2), 0.7800 (S3)
- **Expected range for the day:** 0.7880 – 0.7950

Indicative AUDMYR 3.3967

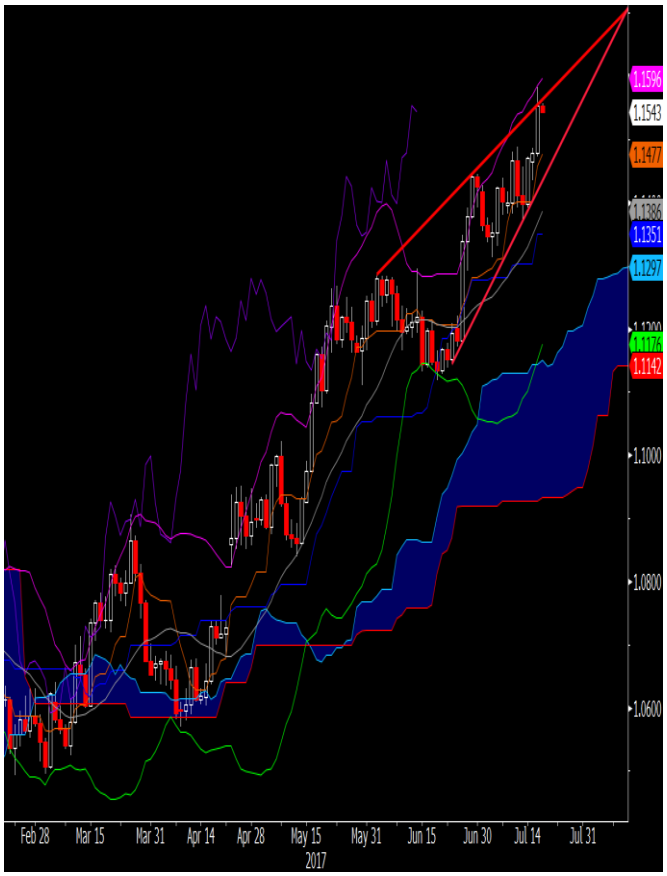


Source: Bloomberg

- AUDMYR opened 81pips lower at 3.3931. **Daily outlook slightly bearish**, anticipating a pullback after yesterday's surge.
- **Weekly and monthly outlook bullish**.
- Strong breakout through several firm resistances confirms a bullish bias. Even though AUDMYR is still poised for gains, we maintain the view the sharp rallies are more often than not unsustainable. Therefore, we opine that a reversal to lower levels is on the horizon.
- **Key resistances:** 3.4000 (R1), 3.4031 (R2), 3.4080 (R3)
- **Key supports:** 3.3834 (S1), 3.3730 (S2), 3.3584 (S3)
- **Expected range for the day:** 3.3830 – 3.4080

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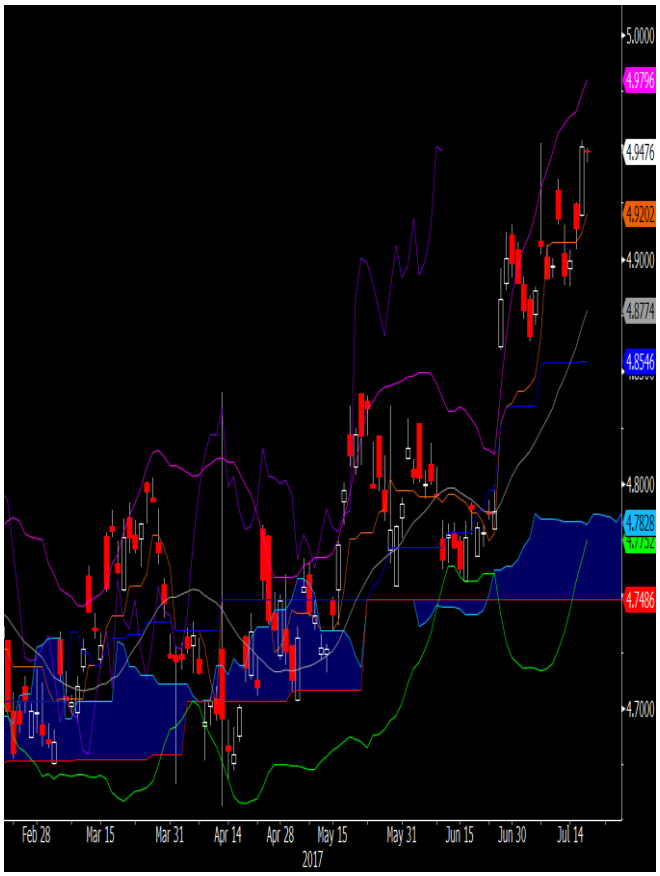
Indicative EURUSD 1.1543



Source: Bloomberg

- EURUSD opened unchanged at 1.1554. **Daily outlook bullish** on the back of USD weakness, but caution that a pullback cannot be ruled out as risk aversion arises ahead of ECB policy decision.
- **Weekly outlook bullish, monthly outlook bearish**.
- EURUSD remains inclined to further gains and likely to test 1.1598 in the next leg higher. However, bearish signs have emerged and we remain doubtful that the pair can continue trending higher before first sliding lower.
- **Key resistances:** 1.1550 (R1), 1.1580 (R2), 1.1597 (R3)
- **Key supports:** 1.1520 (S1), 1.1500 (S2), 1.1491 (S3)
- **Expected range for the day:** 1.1500 – 1.1580

Indicative EURMYR 4.9476



Source: Bloomberg

- EURMYR opened 15pips lower at 4.9486. **Daily outlook slightly bullish** in anticipation of EUR holding firm, particularly going into European trade.
- **Weekly outlook bullish, monthly outlook bearish**.
- Despite bullish bias, price-momentum has diverged further, continuing to hint at potential reversal to lower levels going forward. Meanwhile, gains remain possible but likely to fizzle out approaching 4.9520.
- **Key resistances:** 4.9527 (R1), 4.9550 (R2), 4.9580 (R3)
- **Key supports:** 4.9358 (S1), 4.9280 (S2), 4.9202 (S3)
- **Expected range for the day:** 4.9400 – 4.9560

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