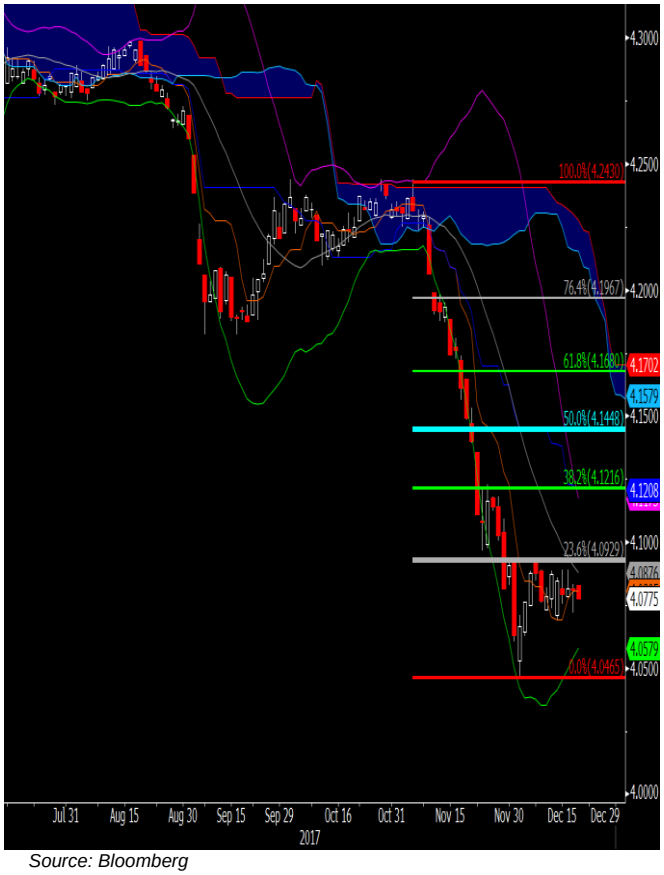
# Global Markets Research

## FX Strategy

## Daily Currency Outlook – 11am edition

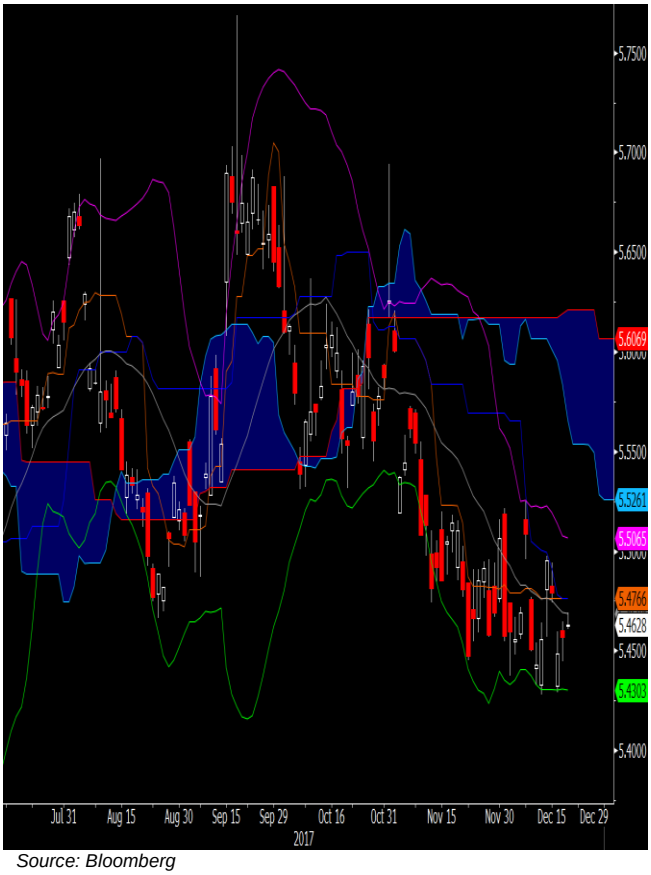
**Indicative USDMYR 4.0775**




*Source: Bloomberg*

- USDMYR opened slightly higher today. **Daily outlook slightly bullish** ahead of Malaysia CPI data; an upside surprise will likely trigger a rally in MYR.
- **Weekly and monthly outlook bullish**.
- Upside momentum continues to build, hinting at more room for gains but given trend is still deep in bearish territory, we reckon that gains may be moderate. The pair continues to target 4.0929, a firm resistance that has the potential to reject further advances.
- **Key resistances:** 4.0790 (R1), 4.0805 (R2), 4.0833 (R3)
- **Key supports:** 4.0726 (S1), 4.0700 (S2), 4.0690 (S3)
- **Expected range for the day:** 4.0720 – 4.0830

**Indicative GBPMYR 5.4628**

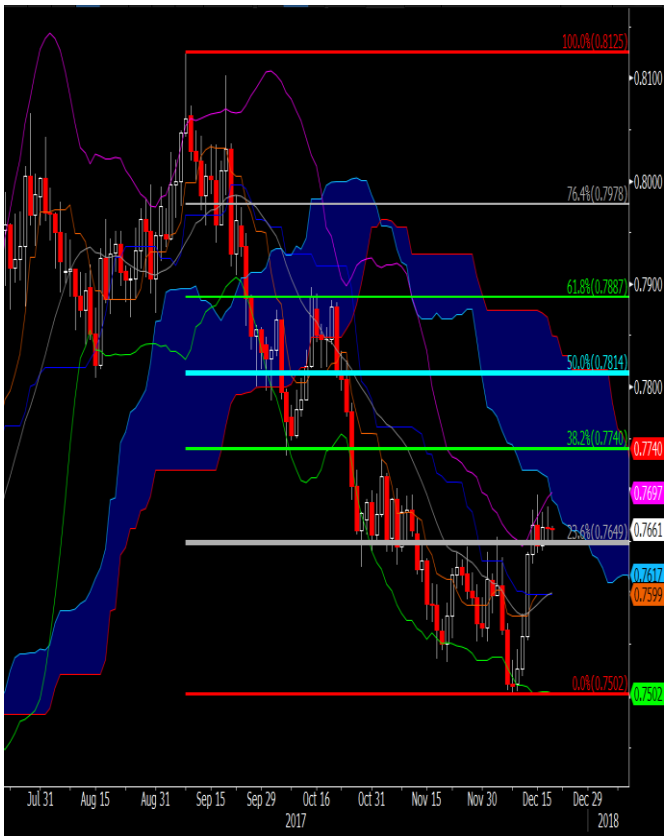



*Source: Bloomberg*

- GBPMYR opened 57pips higher at 5.4626. **Daily outlook slightly bearish** as we anticipate Brexit uncertainties to push GBP lower going into European trade.
- **Weekly and monthly outlook bearish**.
- Chance of GBPMYR extending its rebound diminishes further despite opening higher today. It must close above 5.4955 today to sustain its upward trajectory. We reckon that the pair is increasingly at risk of falling to 5.4059 going forward.
- **Expect a potential decline to 5.4059**, otherwise curbed by a close above 5.4874.
- **Key resistances**: 5.4686 (R1), 5.4766 (R2), 5.4839 (R3)
- **Key supports**: 5.4600 (S1), 5.4542 (S2), 5.4500 (S3)
- **Expected range for the day:** 5.4540 – 5.4690

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

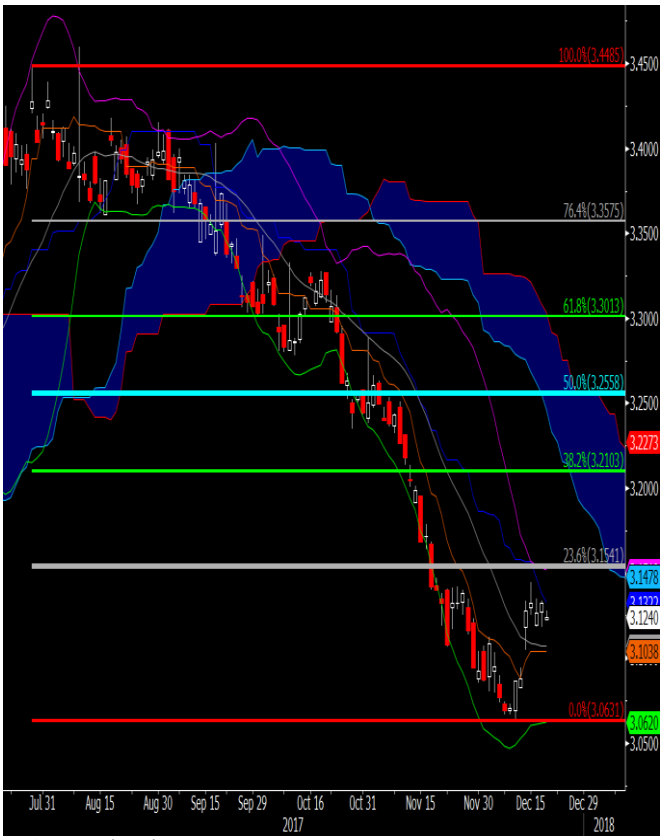
## Indicative AUDUSD 0.7661




*Source: Bloomberg*

- AUDUSD opened unchanged at 0.7663. **Daily outlook bearish** given emergence of renewed downsides in risk appetite.
- **Weekly and monthly outlook bullish**.
- AUDUSD is approaching potential reversal in technical outlook; closing above 0.7666 will sustain an upward trajectory that puts the pair on track towards 0.7740, otherwise, expect AUDUSD to soon lose 0.7649 and head back to 0.7603.
- **Continue to expect a potential advance to 0.7740**, otherwise curbed by a close below 0.7620.
- **Key resistances:** 0.7671 (R1), 0.7690 (R2), 0.7700 (R3)
- **Key supports:** 0.7649 (S1), 0.7620 (S2), 0.7603 (S3)
- **Expected range for the day:** 0.7630 – 0.7700

## Indicative AUDMYR 3.1240

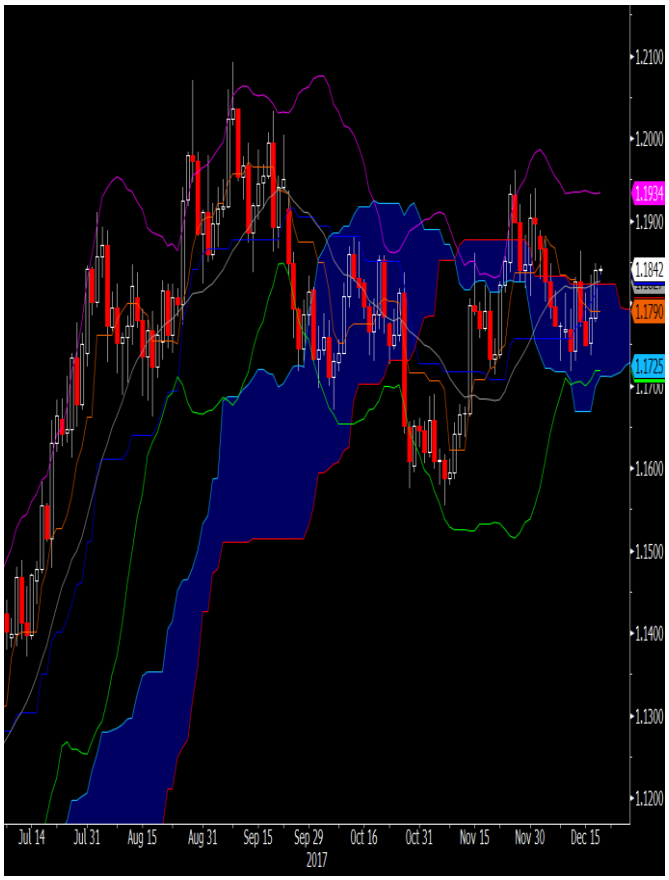



*Source: Bloomberg*

- AUDMYR opened 93pips lower at 3.1230. **Daily outlook slightly bullish** anticipating AUD to turn firmer going into European trade to overturn current losses.
- **Weekly and monthly outlook bullish**.
- We maintain that there is still room for AUDMYR to climb higher to 3.1417 – 3.1541, but we caution that with trend still deep in negative territory, current rebound may not sustain thereafter.
- **Continue to expect a potential advance to 3.1417**, otherwise curbed by a close below 3.1180.
- **Key resistances:** 3.1297 (R1), 3.1322 (R2), 3.1350 (R3)
- **Key supports:** 3.1200 (S1), 3.1180 (S2), 3.1126 (S3)
- **Expected range for the day:** 3.1180 – 3.1420

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

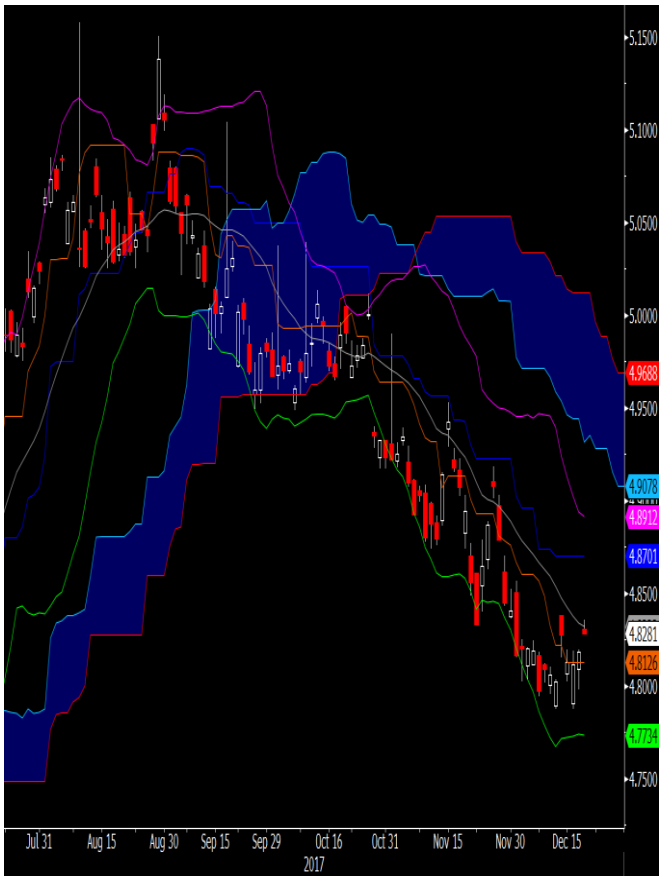
### Indicative EURUSD 1.1842




*Source: Bloomberg*

- EURUSD opened unchanged at 1.1840. **Daily outlook bullish** on the back of a soft USD.
- **Weekly and monthly outlook bullish**.
- EURUSD is forming a bullish chart pattern; closing above 1.1881 is likely to trigger a move to 1.2030. In any case, a bullish bias currently prevails and EURUSD looks poised to test 1.1881.
- **Key resistances:** 1.1858 (R1), 1.1880 (R2), 1.1900 (R3)
- **Key supports:** 1.1823 (S1), 1.1800 (S2), 1.1790 (S3)
- **Expected range for the day:** 1.1820 – 1.1880

### Indicative EURMYR 4.8281




*Source: Bloomberg*

- EURMYR opened 25pips lower at 4.8090. **Daily outlook bullish**, anticipating further gains on the back of a softer MYR.
- **Weekly and monthly outlook bullish**.
- EURMYR must close above 4.8277 to maintain its upward trajectory, otherwise a decline to 4.8029 is expected.
- **EURMYR is now unlikely to decline to 4.7780**.
- **Key resistances:** 4.8379 (R1), 4.8400 (R2), 4.8484 (R3)
- **Key supports:** 4.8253 (S1), 4.8196 (S2), 4.8145 (S3)
- **Expected range for the day:** 4.8250 – 4.8360

** 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.