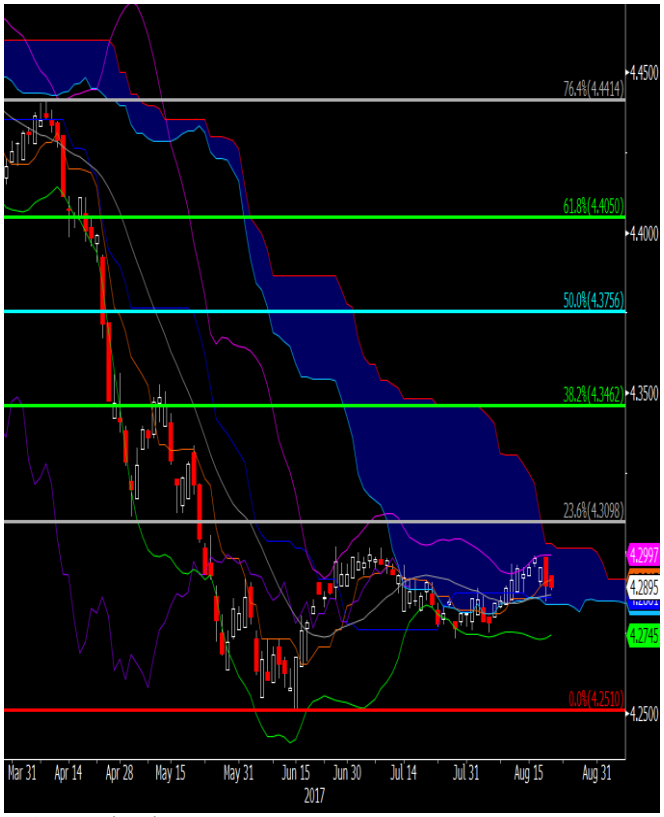
Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

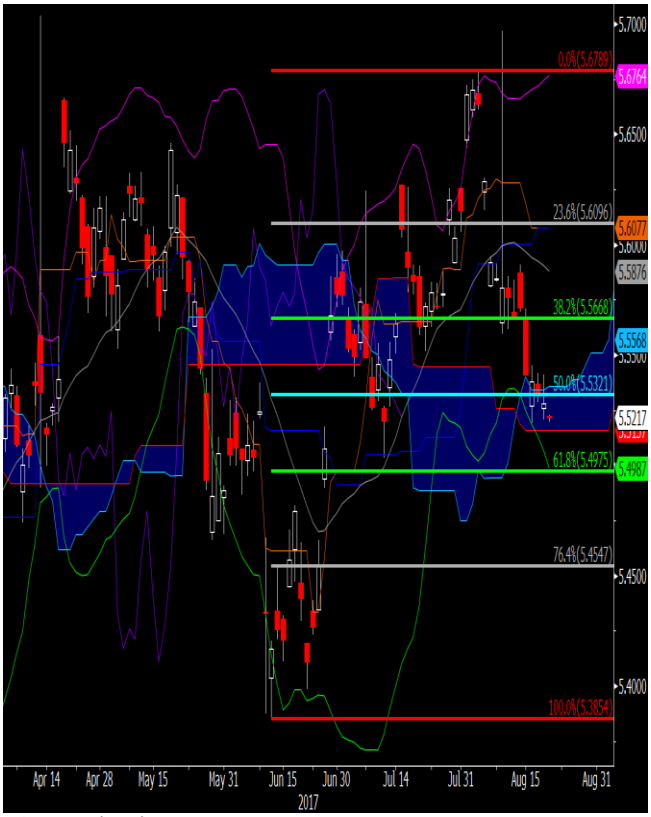
Indicative USDMYR 4.2895



Source: Bloomberg

- USDMYR opened higher today. **Daily outlook slightly bearish** on the back of a softer USD amid political woes in the US.
- **Weekly and monthly outlook bullish**.
- Technically, USDMR is expected to be defensive after what appears to be a strong rejection by 4.2977 last Friday. Losses may be test 4.2841 going forward.
- **Key resistances:** 4.2915 (R1), 4.2934 (R2), 4.2977 (R3)
- **Key supports:** 4.2871 (S1), 4.2861 (S2), 4.2843 (S3)
- **Expected range for the day:** 4.2860 – 4.2930

Indicative GBPMYR 5.5217

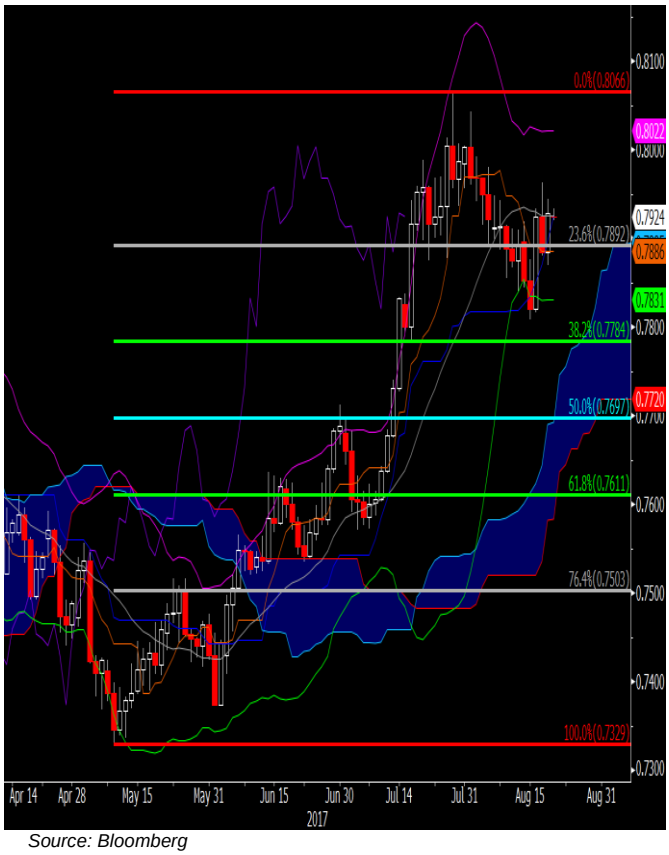


Source: Bloomberg

- GBPMYR opened 58ips lower at 5.5221. **Daily outlook slightly bearish** in anticipation of further GBP retreat on lack of buying interest as the UK readies to unveil its Brexit plans.
- **Weekly and monthly outlook bearish**.
- Bearish bias has increased; we reckon that GBPMYR is now below the crucial 5.5321 and will likely extend lower. A close below 5.5157 will accelerate the bears and push it to test 5.4975.
- **Continue to expect a potential decline to 5.5160**.
- **Key resistances**: 5.5266 (R1), 5.5321 (R2), 5.5357 (R3)
- **Key supports**: 5.5157 (S1), 5.5126 (S2), 5.5100 (S3)
- **Expected range for the day:** 5.5150 – 5.5250

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

Indicative AUDUSD 0.7924

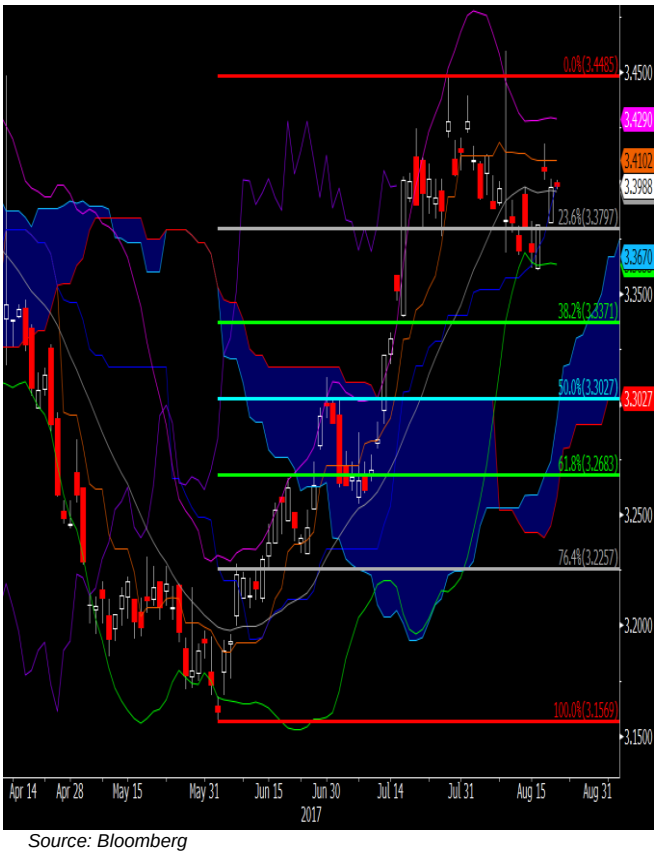


Source: Bloomberg

- AUDUSD opened 4pips lower at 0.7925. **Daily outlook bearish** in anticipation of a lack of interest in risk-taking activities ahead of Jackson Hole symposium this Friday.
- **Weekly and monthly outlook bearish**.
- AUDUSD has yet to firmly bypass the crucial 0.7892 in our view, and therefore remains prone to renewed weakness. On the upside, a rally to 0.7980 cannot be ruled out, but this level is likely to reject extended advances.
- **Continue expect a potential decline to 0.7800**, otherwise curbed by a close above 0.7974.
- **Key resistances:** 0.7926 (R1), 0.7974 (R2), 0.8000 (R3)
- **Key supports:** 0.7892 (S1), 0.7879 (S2), 0.7850 (S3)
- **Expected range for the day:** 0.7890 – 0.7950

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

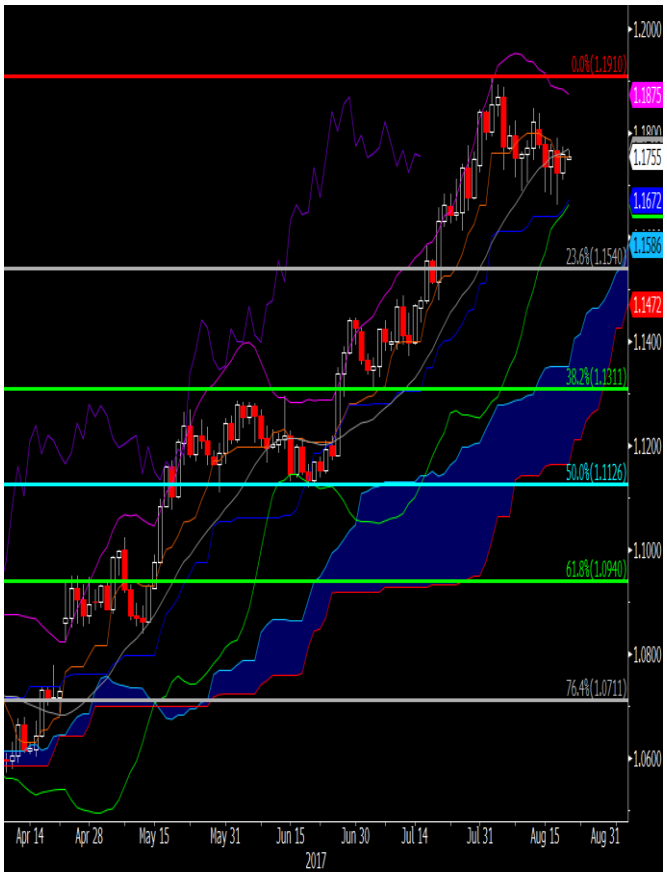
Indicative AUDMYR 3.3988



Source: Bloomberg

- AUDMYR opened 26pips higher at 3.4005. **Daily outlook slightly bearish** as we expect risk aversion going into European trade to weigh the pair down.
- **Weekly outlook neutral, monthly outlook bearish**.
- Recent upside break is rather feeble in our view, after having been rejected by 3.4126 and 3.4102, before gapping lower thereafter. We suspect today's gap-up to be unsustainable and will soon slide below 3.3962 going forward.
- **Key resistances:** 3.4033 (R1), 3.4016 (R2), 3.4126 (R3)
- **Key supports:** 3.3961 (S1), 3.3890 (S2), 3.3797 (S3)
- **Expected range for the day:** 3.3920 – 3.4020

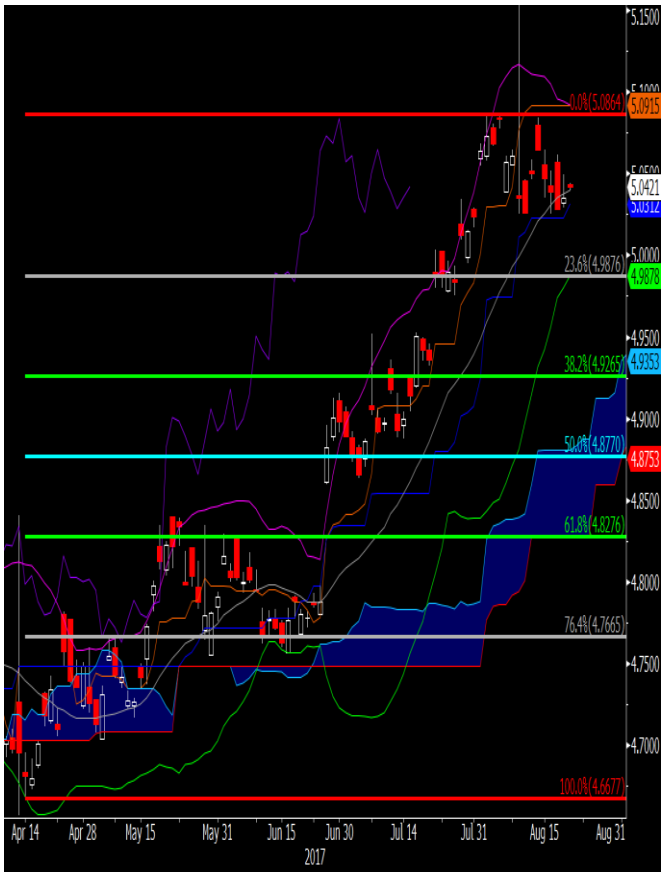
Indicative EURUSD 1.1755



Source: Bloomberg

- EURUSD opened 11pips lower at 1.1750. **Daily outlook bearish**, as risk aversion is likely to gradually increase going into the Jackson Hole symposium where ECB President Draghi is expected to make a speech.
- **Weekly and monthly outlook bearish**.
- EURUSD that remains below 1.1769 is still bearish in our view. Gains are likely to be repelled by this resistance, and potentially trigger a drop to, or even below, 1.1715.
- **Continue to expect a potential decline to 1.1650**, otherwise curbed by a close above 1.1779.
- **Key resistances:** 1.1769 (R1), 1.1790 (R2), 1.1822 (R3)
- **Key supports:** 1.1740 (S1), 1.1715 (S2), 1.1700 (S3)
- **Expected range for the day:** 1.1715 – 1.1780

Indicative EURMYR 5.0421



Source: Bloomberg

- EURMYR opened 82pips higher at 5.0436. **Daily outlook slightly bearish** in anticipation of further weakness in EUR in European session.
- **Weekly and monthly outlook bearish**.
- Technical viewpoint continues to deteriorate and while below 5.0661, we would maintain a bearish outlook.
- **Continue to expect a potential drop to 5.0100**, otherwise curbed by a close above 5.0600.
- **Key resistances:** 5.0490 (R1), 5.0550 (R2), 5.0600 (R3)
- **Key supports:** 5.0312 (S1), 5.0252 (S2), 5.0139 (S3)
- **Expected range for the day:** 5.0320 – 5.0490

** 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.