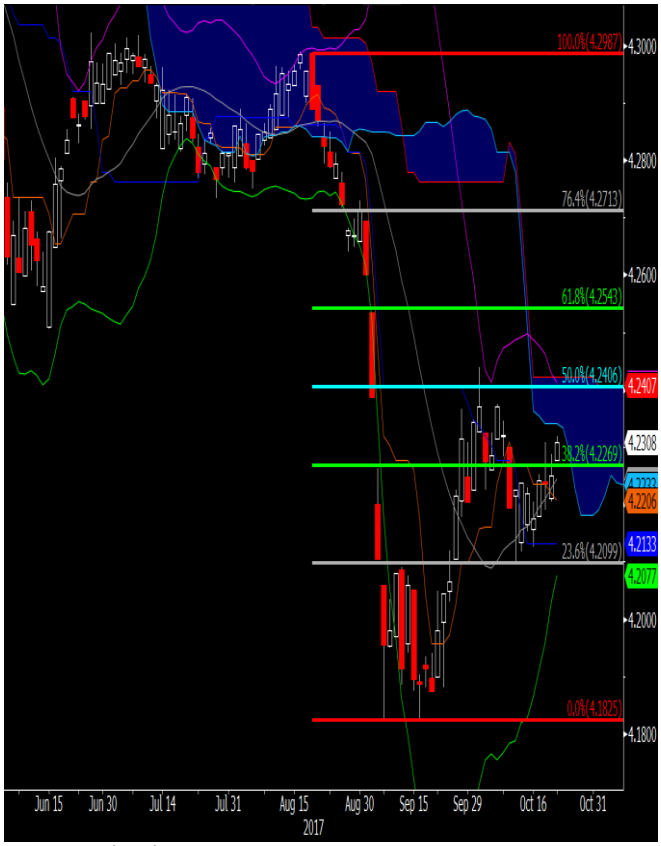
Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

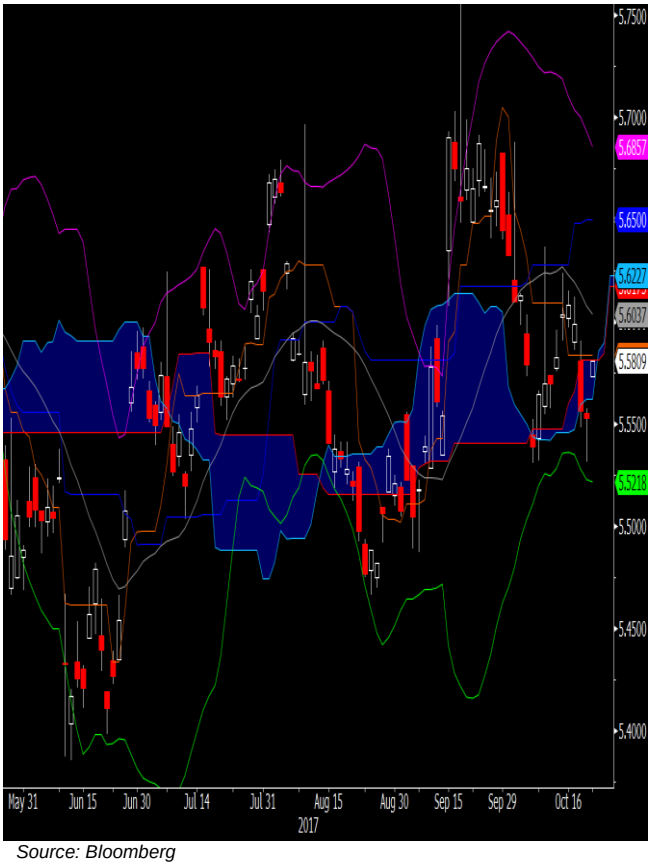
Indicative USDMYR 4.2308



Source: Bloomberg

- USDMYR opened slightly higher today. **Daily outlook bullish** on a firmer USD and a wane in MYR buying interest as markets stay on the sides ahead of Malaysia Budget 2018 tabling.
- **Weekly outlook bullish, monthly outlook neutral**.
- USDMYR has made progress technically, firming up above 4.2200 threshold and beat 4.2265 this morning. This will likely tilt the pair upwards and expose a potential move to 4.2412 in the next leg higher.
- **Key resistances:** 4.2330 (R1), 4.2343 (R2), 4.2375 (R3)
- **Key supports:** 4.2300 (S1), 4.2269 (S2), 4.2246 (S3)
- **Expected range for the day:** 4.2270 – 4.2380

Indicative GBPMYR 5.5809

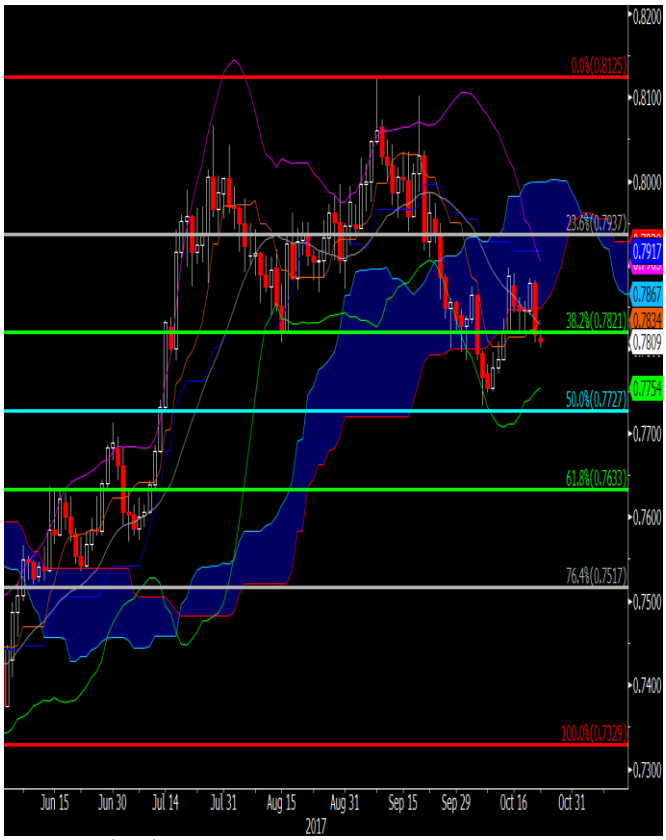


Source: Bloomberg

- GBPMYR opened 200pips higher at 5.5732. **Daily outlook bullish**, lifted by the sharply higher opening.
- **Weekly outlook bullish, monthly outlook bearish**.
- GBPMYR recapturing crucial levels has discouraged the bears. Holding above 5.5814 will sustain current upside strength to test 5.6038 next. Otherwise, a drop to 5.5622 is more likely.
- **GBPMYR is now unlikely to decline to 5.5230**.
- **Key resistances**: 5.5814 (R1), 5.5840 (R2), 5.5907 (R3)
- **Key supports**: 5.5754 (S1), 5.5661 (S2), 5.5630 (S3)
- **Expected range for the day:** 5.5720 – 5.5900

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

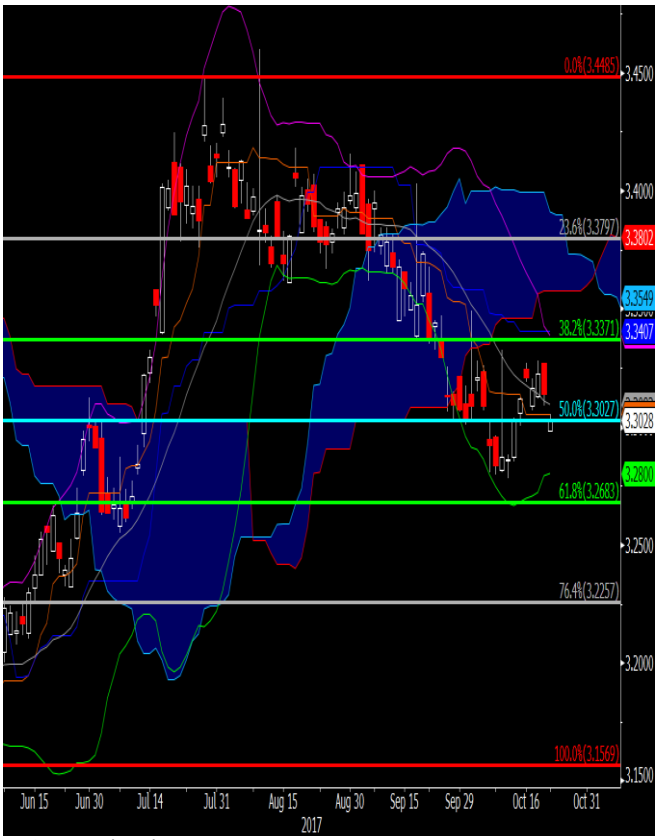
Indicative AUDUSD 0.7809



Source: Bloomberg

- AUDUSD opened slightly lower at 0.7814. **Daily outlook bearish** on the back of a firm USD and likelihood of extended risk-off in the FX space.
- **Weekly and monthly outlook bearish**.
- Closing below key levels has weakened AUDUSD. The pair is now technically bearish, with scope to slide to 0.7754 going forward. For sustained rebounds to take place, AUDUSD must close above 0.7848.
- **Expect a potential decline to 0.7755**, invalidated by a close above 0.7834.
- **Key resistances:** 0.7821 (R1), 0.7849 (R2), 0.7867 (R3)
- **Key supports:** 0.7800 (S1), 0.7791 (S2), 0.7782 (S3)
- **Expected range for the day:** 0.7780 – 0.7825

Indicative AUDMYR 3.3028

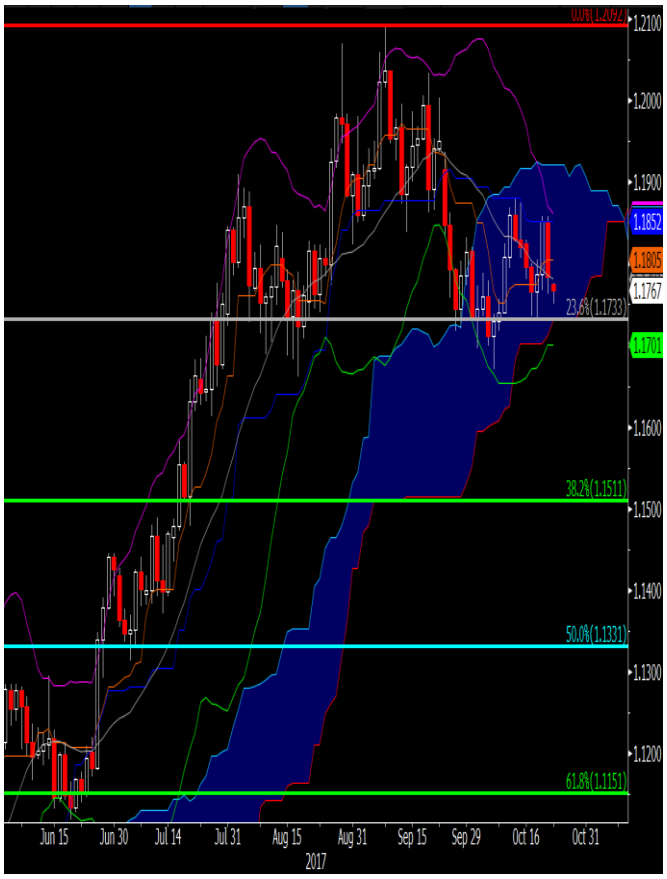


Source: Bloomberg

- AUDMYR opened 159pips lower at 3.2980. **Daily outlook bearish**, weighed down by the sharply lower opening.
- **Weekly and monthly outlook bearish**.
- Recent attempt to climb higher was rejected by 3.3267. After opening lower, AUDMYR is now on the defensive and likely inclined to the downsides. Losing 3.3027 will expose AUDMYR to a drop to 3.2800 in the coming weeks.
- **AUDMYR is now unlikely to climb to 3.3370**.
- **Key resistances:** 3.3055 (R1), 3.3092 (R2), 3.3139 (R3)
- **Key supports:** 3.3027 (S1), 3.3000 (S2), 3.2950 (S3)
- **Expected range for the day:** 3.2970 – 3.3150

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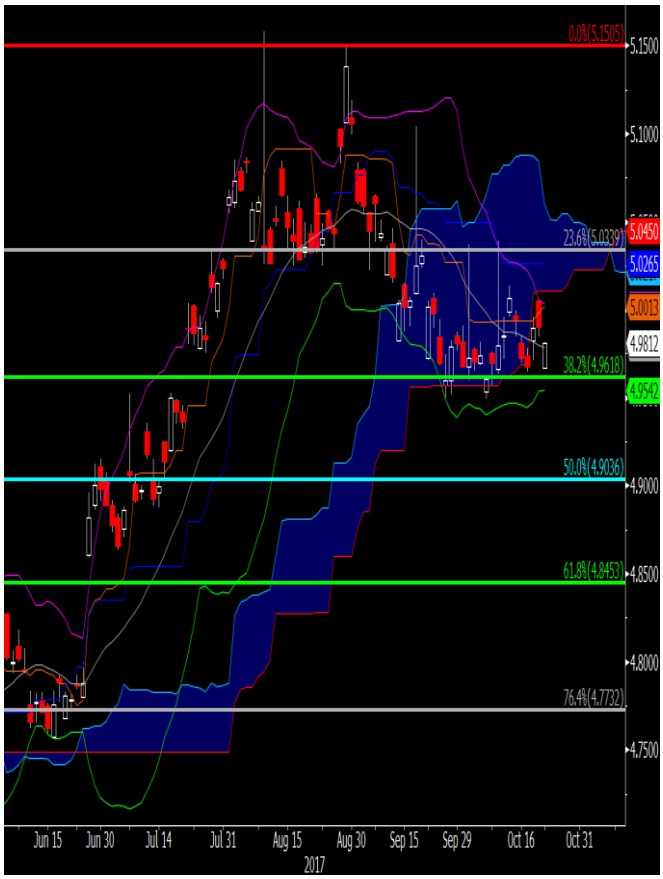
Indicative EURUSD 1.1767



Source: Bloomberg

- EURUSD opened 9pips lower at 1.1775. **Daily outlook bearish**, weighed down by renewed political jitters in Spain, as well as ahead of ECB policy decision.
- **Weekly and monthly outlook bearish**.
- Technical outlook has worsened for EURUSD after losing 1.1800. The pair is on track for a test at 1.1733, but if this does not hold, then a drop to 1.1687 is likely next. Caution that this level is the neckline for a head & shoulders top; completion of this pattern triggers a drop to circa 1.1445 in the coming weeks.
- **Expect a potential decline to 1.1690**, otherwise curbed by a close above 1.1805.
- **Key resistances:** 1.1781 (R1), 1.1805 (R2), 1.1821 (R3)
- **Key supports:** 1.1740 (S1), 1.1733 (S2), 1.1701 (S3)
- **Expected range for the day:** 1.1700 – 1.1790

Indicative EURMYR 4.9812



Source: Bloomberg

- EURMYR opened 237pips lower at 4.9667. **Daily outlook bearish**, weighed down by a sharply lower opening.
- **Weekly and monthly outlook bearish**.
- Signs continue to point to weakness going forward. We continue to set sights on a drop to 4.9618, below which bears will intensify and head for 4.9488.
- **Continue to expect a potential decline to 4.9620**, otherwise curbed by a close above 4.9905.
- **Key resistances:** 4.9902 (R1), 4.9961 (R2), 5.0000 (R3)
- **Key supports:** 4.9781 (S1), 4.9660 (S2), 4.9618 (S3)
- **Expected range for the day:** 4.9670 – 4.9850

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