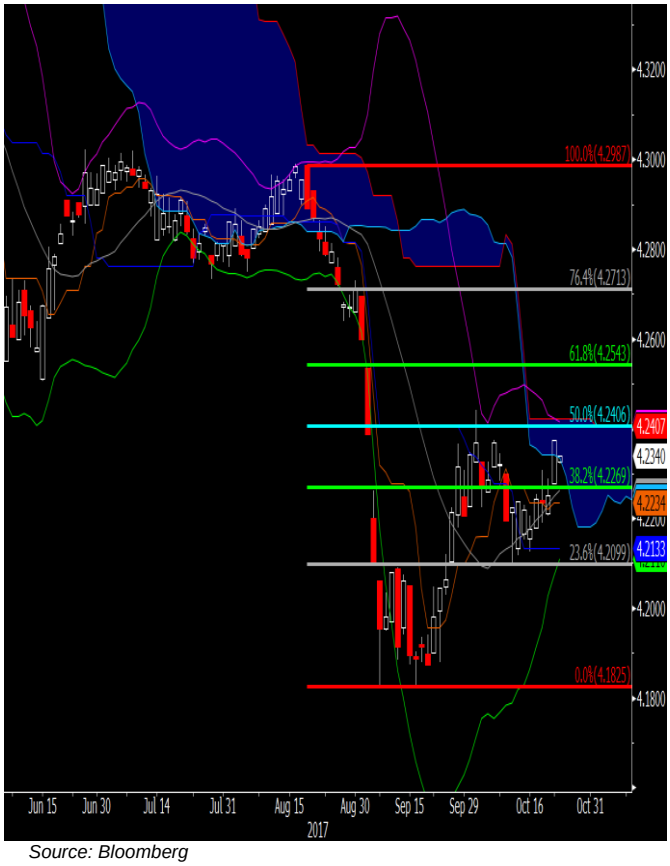
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FX Strategy

Daily Currency Outlook – 11am edition

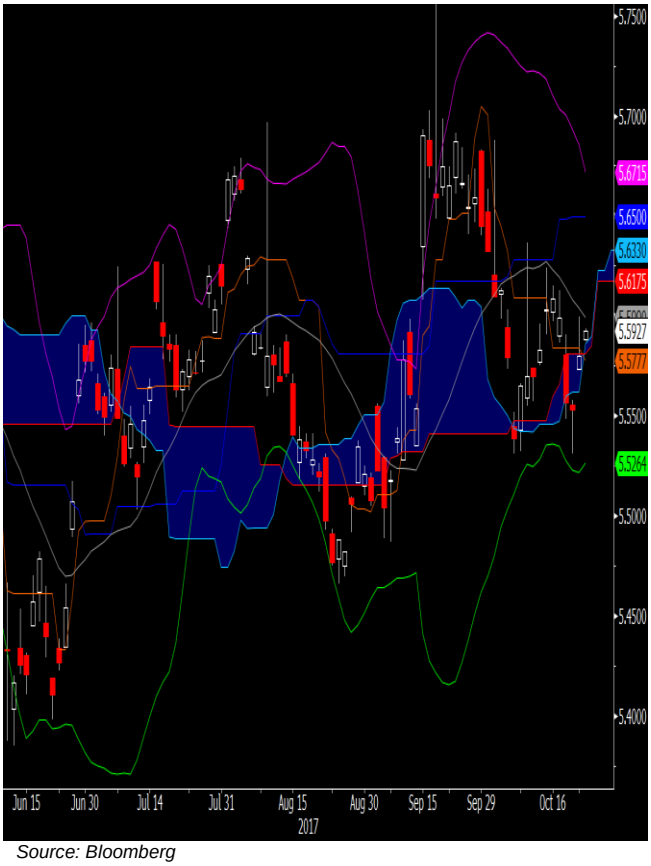
Indicative USDMYR 4.2340



Source: Bloomberg

- USDMYR opened lower today. **Daily outlook bullish** on a firmer USD and a wane in MYR buying interest ahead of Malaysia Budget 2018 tabling.
- **Weekly outlook bullish, monthly outlook neutral**.
- USDMYR is still technically bullish and remains tilted upwards. We maintain that there is potential to move to 4.2412 in the next leg higher.
- **Expect a potential advance to 4.2412**, invalidated by a close below 4.2300.
- **Key resistances:** 4.2367 (R1), 4.2406 (R2), 4.2421 (R3)
- **Key supports:** 4.2308 (S1), 4.2269 (S2), 4.2234 (S3)
- **Expected range for the day:** 4.2320 – 4.2400

Indicative GBPMYR 5.5927

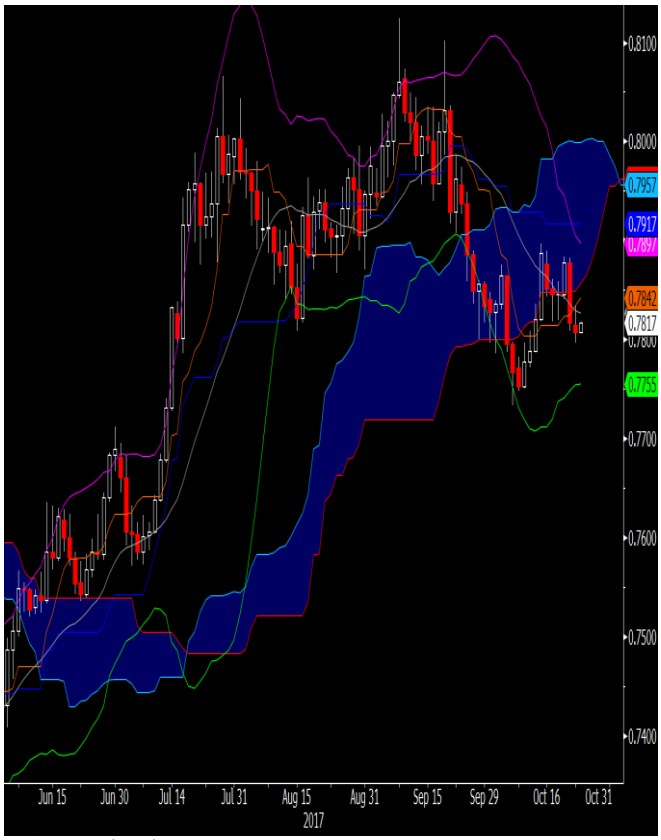


Source: Bloomberg

- GBPMYR opened 84pips higher at 5.5883. **Daily outlook bullish**, lifted by the higher opening and potentially firmer GBP in European session.
- **Weekly outlook bullish, monthly outlook bearish**.
- GBPMYR holding above 5.5814 confers upside strength that could see it climb higher. Losses, if any, are likely stemmed first by 5.5858, then 5.5814. Otherwise, renewed weakness will take GBPMYR lower.
- **Expect a potential climb to 5.6240**, otherwise curbed by a close below 5.5814.
- **Key resistances**: 5.5958 (R1), 5.5988 (R2), 5.6000 (R3)
- **Key supports**: 5.5858 (S1), 5.5814 (S2), 5.5777 (S3)
- **Expected range for the day:** 5.5860 – 5.5990

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

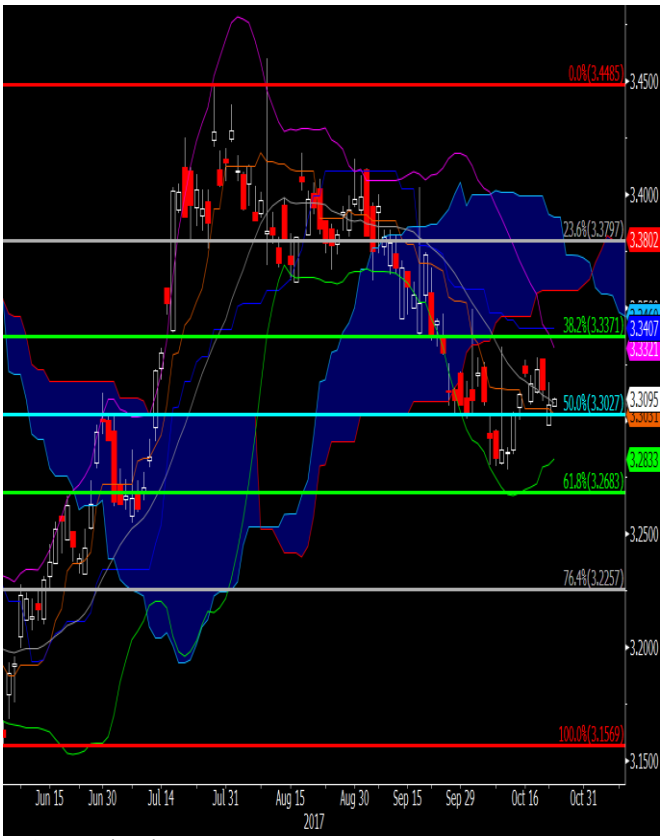
Indicative AUDUSD 0.7817



Source: Bloomberg

- AUDUSD opened unchanged at 0.7807. **Daily outlook bearish** on the back of a firmer USD, and weighed down by continually soft risk appetite in the markets.
- **Weekly and monthly outlook bearish**.
- AUDUSD remains bearish while below 0.7821, with scope to slide to 0.7754 going forward. For sustained rebound to take place, AUDUSD must close above 0.7848.
- **Expect a potential decline to 0.7755**, invalidated by a close above 0.7848.
- **Key resistances:** 0.7826 (R1), 0.7842 (R2), 0.7856 (R3)
- **Key supports:** 0.7800 (S1), 0.7790 (S2), 0.7755 (S3)
- **Expected range for the day:** 0.7780 – 0.7825

Indicative AUDMYR 3.3095

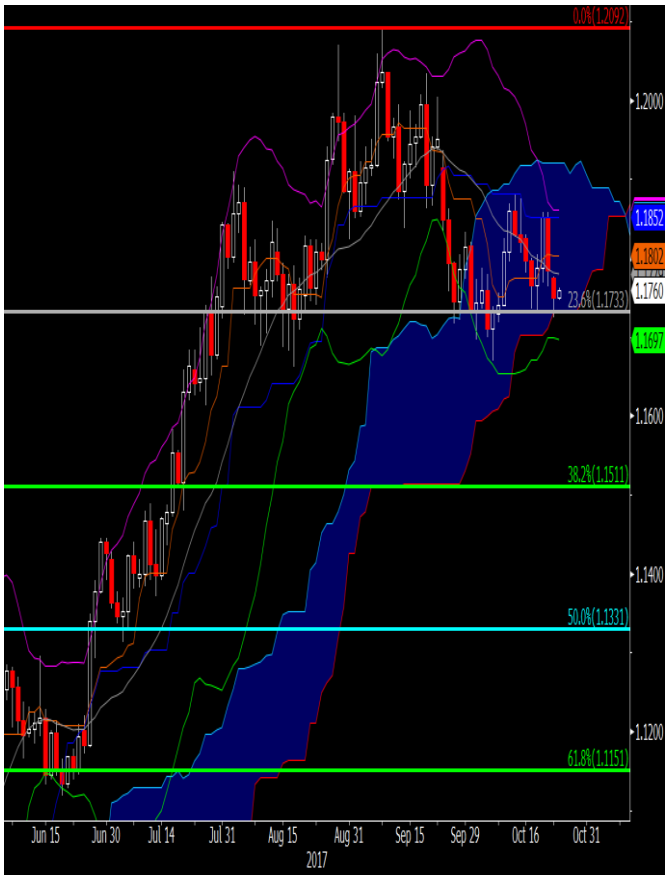


Source: Bloomberg

- AUDMYR opened slightly lower at 3.3064. **Daily outlook slightly bearish** in anticipation of a relatively weaker AUD that is more sensitive to risk aversion in the markets.
- **Weekly and monthly outlook bearish**.
- Success at closing above 3.3027 yesterday after opening lower hints at a lack of bearish strength. Downward direction is growing less certain, though AUDMYR must first clear 3.3149 to establish a firm upside path.
- **Key resistances:** 3.3149 (R1), 3.3198 (R2), 3.3278 (R3)
- **Key supports:** 3.3076 (S1), 3.3027 (S2), 3.3000 (S3)
- **Expected range for the day:** 3.3020 – 3.3150

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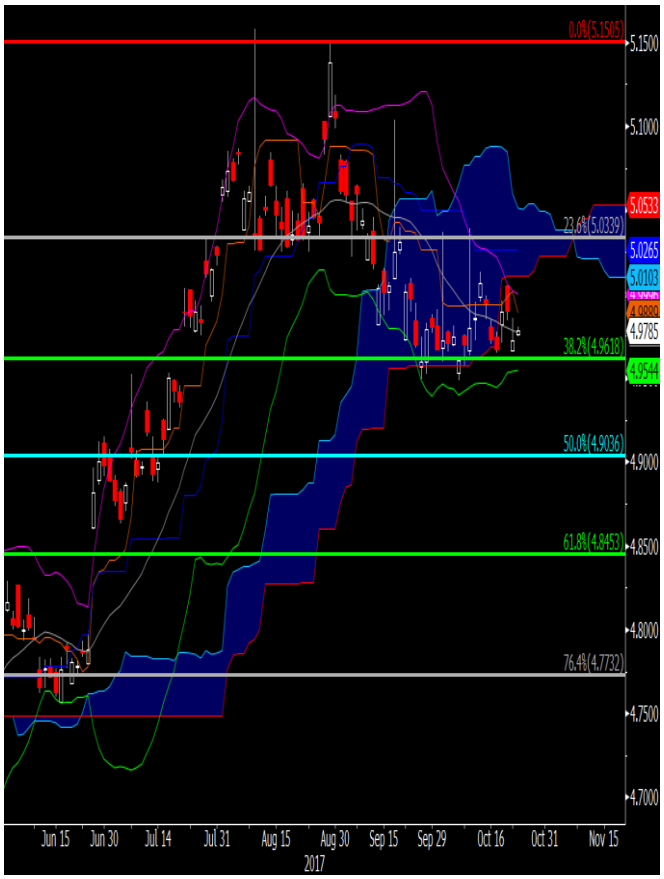
Indicative EURUSD 1.1760



Source: Bloomberg

- EURUSD opened unchanged at 1.1749. **Daily outlook bearish** on the back of disinterest amid on-going political jitters and ahead of ECB policy decision.
- **Weekly and monthly outlook bearish**.
- A bearish bias has emerged, further tilting EURUSD that has recently lost 1.1800 lower. We still to set sights on a test, and likely break, at 1.1733; losing this risks a drop to 1.1687.
- **Continue expect a potential decline to 1.1690**, otherwise curbed by a close above 1.1802.
- **Key resistances:** 1.1778 (R1), 1.1802 (R2), 1.1852 (R3)
- **Key supports:** 1.1750 (S1), 1.1733 (S2), 1.1697 (S3)
- **Expected range for the day:** 1.1700 – 1.1780

Indicative EURMYR 4.9785



Source: Bloomberg

- EURMYR opened 35pips higher at 4.9759. **Daily outlook slightly bearish**, awaiting a softer EUR going into European trade to overturn current gains.
- **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 4.9860.
- **Key resistances:** 4.9815 (R1), 4.9860 (R2), 4.9882 (R3)
- **Key supports:** 4.9770 (S1), 4.9683 (S2), 4.9618 (S3)
- **Expected range for the day:** 4.9660 – 4.9820

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