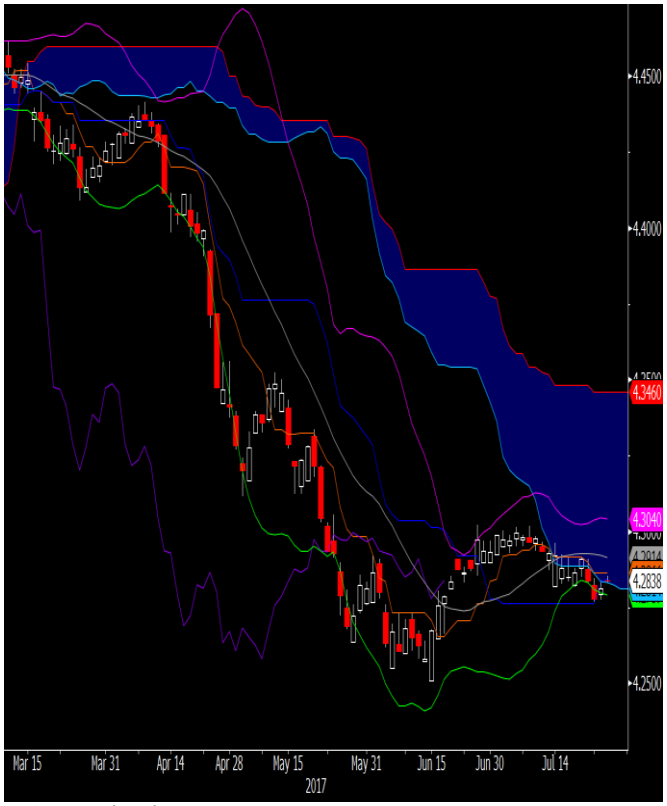
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FX Strategy

Daily Currency Outlook – 11am edition

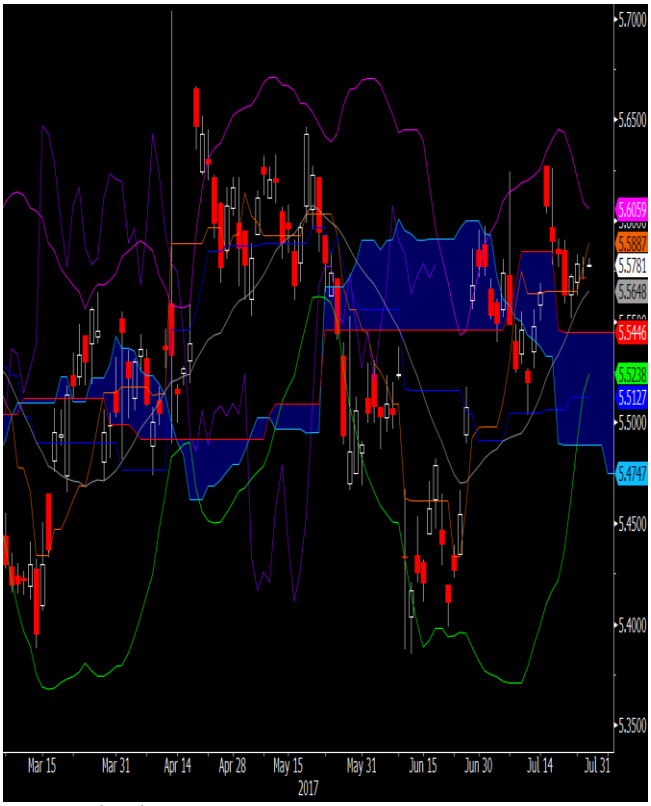
Indicative USDMYR 4.2838



Source: Bloomberg

- USDMYR opened slightly higher today. **Daily outlook bullish** as we anticipate a firmer USD while MYR is likely pressured by retreating risk appetite ahead of FOMC policy announcement.
- **Weekly outlook neutral, monthly outlook bearish**.
- Bearish bias shows signs of reversing and that has diminished USDMYR's scope for further declines. Closing above 4.2830 gives rise to a potential climb to 4.2915 going forward.
- **Expect a potential climb to 4.2915**, otherwise curbed by a close below 4.2800.
- **Key resistances:** 4.2851 (R1), 4.2885 (R2), 4.2915 (R3)
- **Key supports:** 4.2829 (S1), 4.2800 (S2), 4.2791 (S3)
- **Expected range for the day:** 4.2820 – 4.2880

Indicative GBPMYR 5.5781

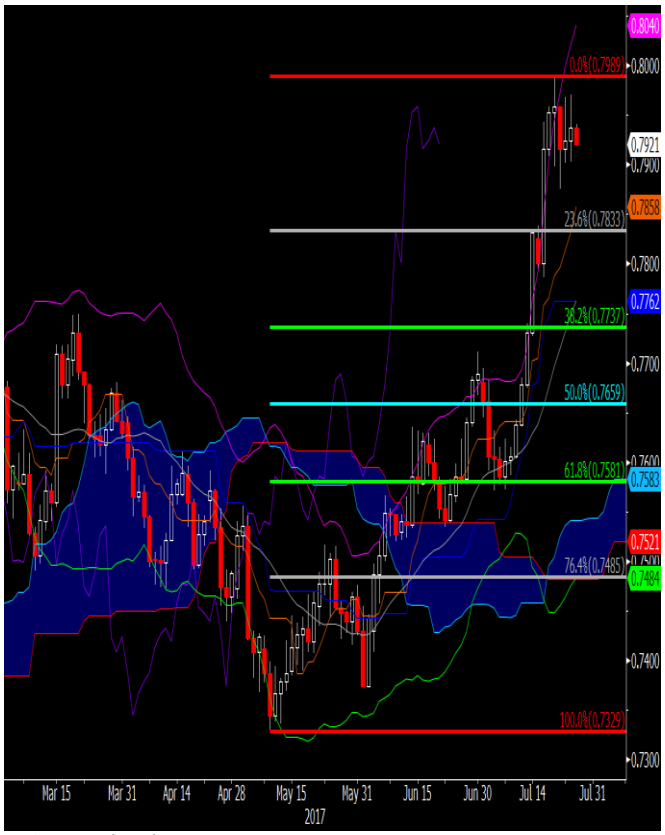


Source: Bloomberg

- GBPMYR opened 56pips higher at 5.5774. **Daily outlook slightly bearish** as we anticipate GBP to retreat in European trade ahead of UK GDP report.
- **Weekly and monthly outlook bearish**.
- As GBPMYR approaches 5.5880, we expect current upsides to fizzle out and gradually tilting the pair towards the downside. Losing 5.5650 will open up a path to 5.5446.
- **Continue to expect a potential decline to 5.5460**, otherwise curbed by a close above 5.5890.
- **Key resistances**: 5.5855 (R1), 5.5887 (R2), 5.5969 (R3)
- **Key supports**: 5.5771 (S1), 5.5717 (S2), 5.5650 (S3)
- **Expected range for the day:** 5.5680 – 5.5860

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

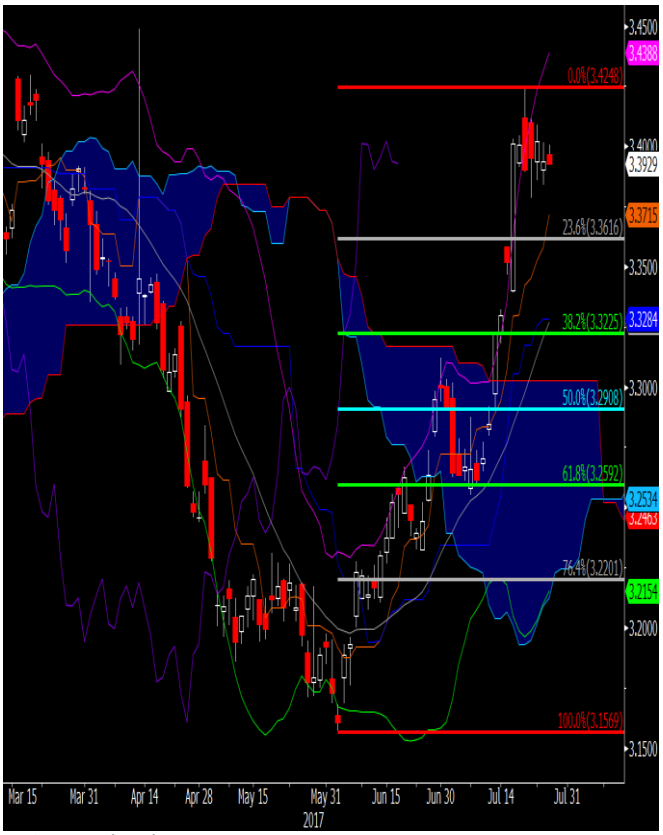
Indicative AUDUSD 0.7921



Source: Bloomberg

- AUDUSD opened unchanged at 0.7937. **Daily outlook bearish** as we anticipate a firmer USD, while AUD is expected to remain weighed down by a softer than expected Australia CPI that has dampened markets' outlook of a hawkish RBA.
- **Weekly and monthly outlook bearish**.
- We maintain that AUDUSD has peaked and view recent soft gains to be residual upside momentum that will soon fade, tilting the pair lower. AUDUSD is likely to target 0.7833 in the next leg lower.
- **Continue to expect a potential decline to 0.7850**, otherwise curbed by a close above 0.7950.
- **Key resistances:** 0.7943 (R1), 0.7970 (R2), 0.7989 (R3)
- **Key supports:** 0.7902 (S1), 0.7858 (S2), 0.7833 (S3)
- **Expected range for the day:** 0.7870 – 0.7950

Indicative AUDMYR 3.3921

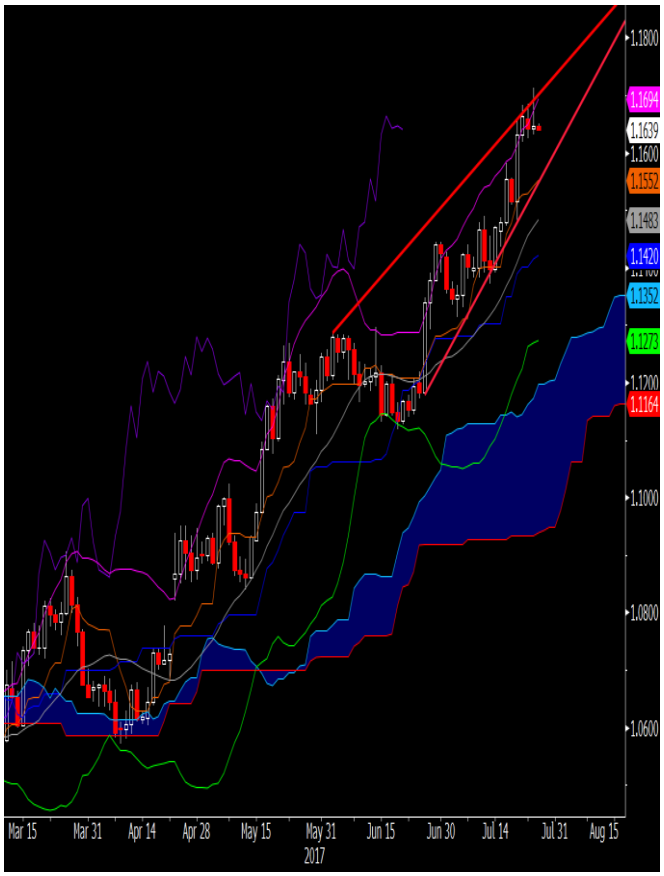


Source: Bloomberg

- AUDMYR opened 30pips higher at 3.3965. **Daily outlook slightly bearish** as AUD is likely to be weighed down by a softer than expected Australia CPI.
- **Weekly outlook bearish, monthly outlook bullish**.
- Technical outlook continues to deteriorate and we maintain that AUDMYR will be heading lower going forward. We still cannot rule out a test at 3.4250, but will regard that as a last-ditch effort to turn bullish. Losing 3.3824 will set off a decline to 3.3616.
- **Continue to expect a potential drop to 3.3580**, otherwise curbed by a close above 3.4080.
- **Key resistances:** 3.4000 (R1), 3.4043 (R2), 3.4089 (R3)
- **Key supports:** 3.3913 (S1), 3.3837 (S2), 3.3715 (S3)
- **Expected range for the day:** 3.3780 – 3.4040

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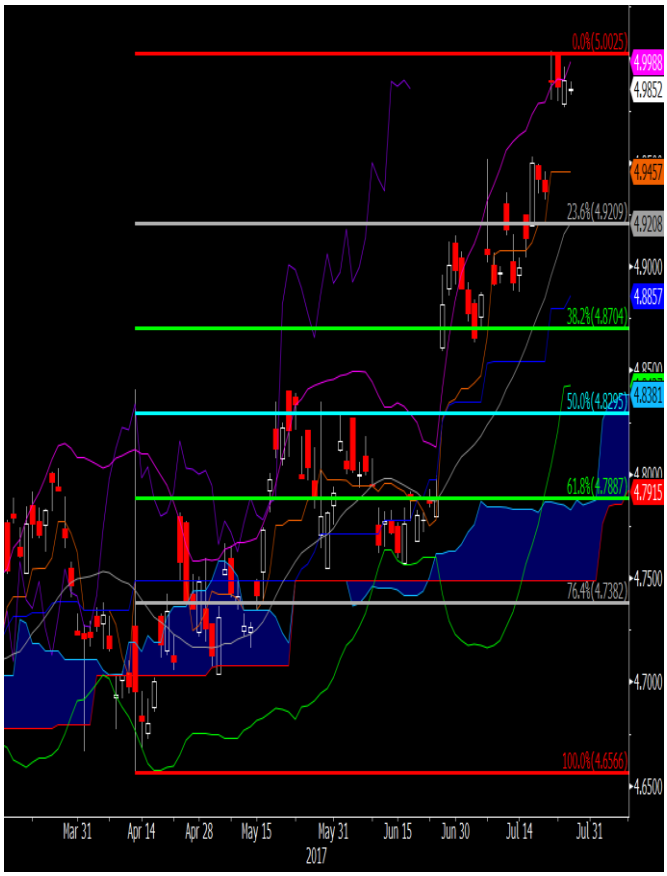
Indicative EURUSD 1.1639



Source: Bloomberg

- EURUSD opened unchanged at 1.1647. **Daily outlook bearish** as we anticipate a firmer USD, while EUR is likely weighed down by dampened expectations of a near-term policy change by the ECB.
- **Weekly and monthly outlook bearish**.
- Upside momentum has retreated and suggests that EURUSD is now less inclined to further gains. However, signs hint that could hold above 1.1631 today, failing which a drop to 1.1589 will be targeted next.
- **Expect a potential decline to 1.1550**, otherwise curbed by a close above 1.1690.
- **Key resistances:** 1.1658 (R1), 1.1670 (R2), 1.1695 (R3)
- **Key supports:** 1.1631 (S1), 1.1600 (S2), 1.1586 (S3)
- **Expected range for the day:** 1.1600 – 1.1680

Indicative EURMYR 4.9851



Source: Bloomberg

- EURMYR opened 45pips lower at 4.9851. **Daily outlook slightly bearish** as we anticipate residual pressure from dampened hawkish ECB bets to prevail.
- **Weekly and monthly outlook bearish**.
- Despite bullish bias, price-momentum has diverged further, continuing to hint at potential reversal to lower levels going forward. We maintain that recent sharp gap up is unsustainable in the long term.
- **Continue to expect a potential decline to 4.9520**, otherwise curbed by a close above 5.0000.
- **Key resistances:** 4.9963 (R1), 4.9998 (R2), 5.0025(R3)
- **Key supports:** 4.9896 (S1), 4.9768 (S2), 4.9604 (S3)
- **Expected range for the day:** 4.9700 – 4.9900

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