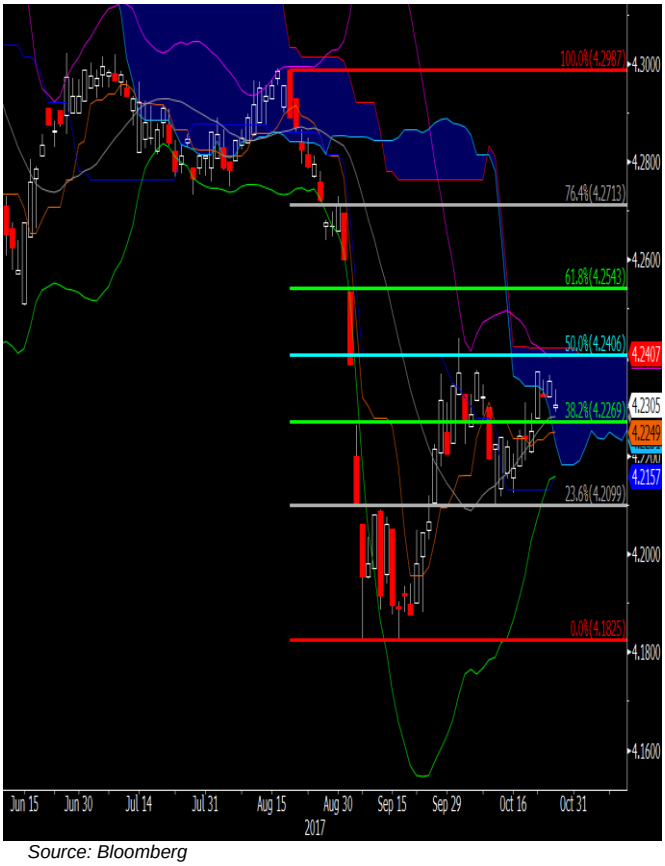
Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

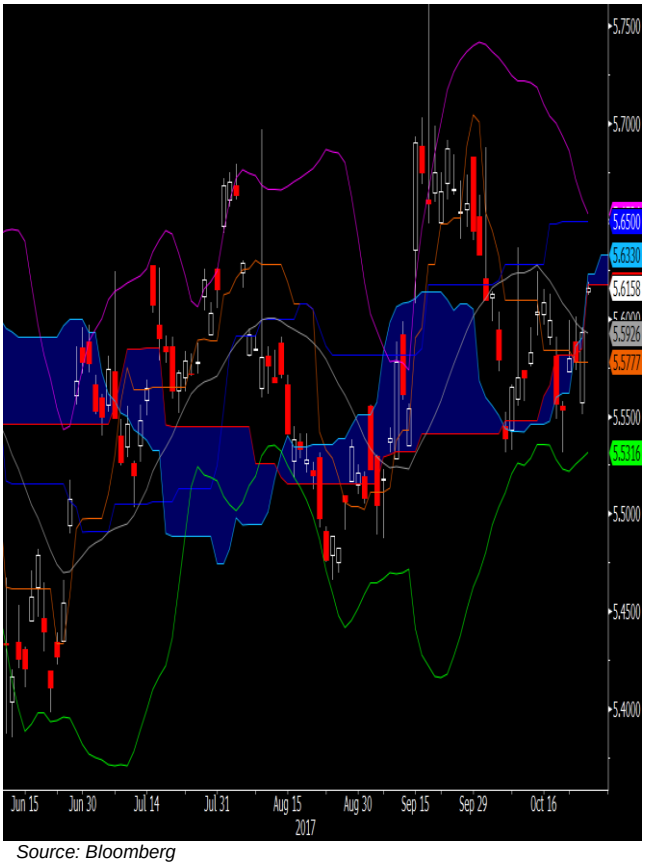
Indicative USDMYR 4.2305



Source: Bloomberg

- USDMYR opened lower today. **Daily outlook bullish** on continued risk aversion 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.
- **Continue to expect a potential advance to 4.2412**, invalidated by a close below 4.2280.
- **Key resistances:** 4.2325 (R1), 4.2342 (R2), 4.2375 (R3)
- **Key supports:** 4.2300 (S1), 4.2281 (S2), 4.2269 (S3)
- **Expected range for the day:** 4.2280 – 4.2400

Indicative GBPMYR 5.6158

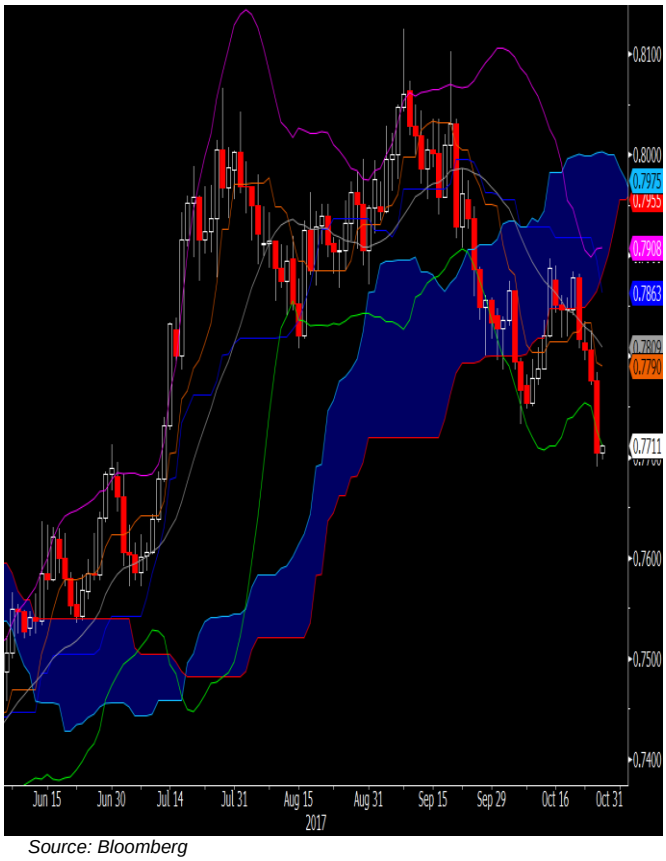


Source: Bloomberg

- GBPMYR opened 211pips higher at 5.6140. **Daily outlook bullish**, supported by the sharply higher opening and a potentially firmer GBP in European trade.
- **Weekly outlook bullish, monthly outlook bearish**.
- GBPMYR's erratic direction continues, breaking through multiple firm resistances yesterday and gap higher at opening today. GBPMYR is now inclined to the upsides, but we remain cautious as it has yet to breach 5.6227 that will determine if further gains are possible.
- **GBPMYR is now unlikely to fall to 5.5253**.
- **Key resistances**: 5.6175 (R1), 5.6227 (R2), 5.6367 (R3)
- **Key supports**: 5.6125 (S1), 5.6100 (S2), 5.6033 (S3)
- **Expected range for the day:** 5.6100 – 5.6200

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

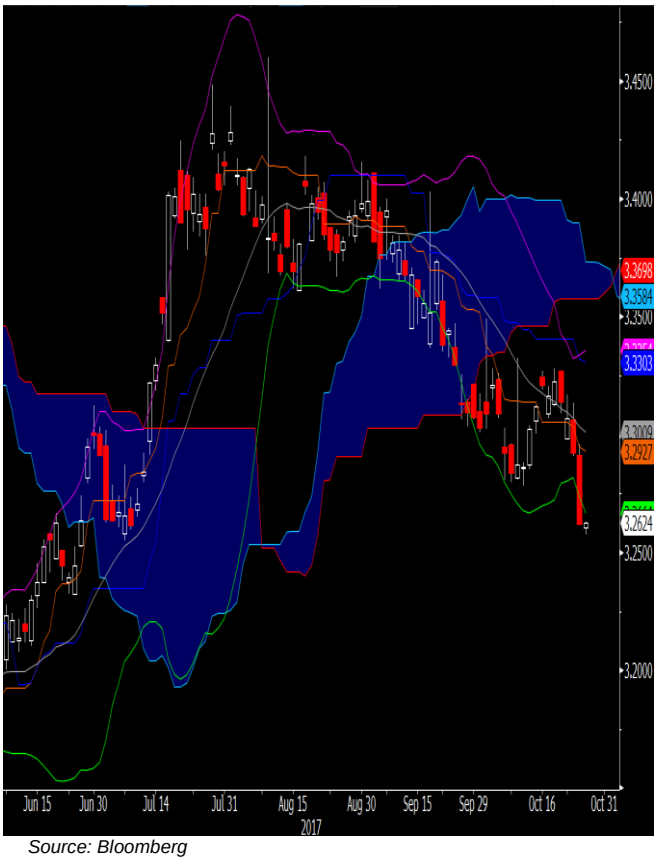
Indicative AUDUSD 0.7711



Source: Bloomberg

- AUDUSD opened unchanged at 0.7704. **Daily outlook bearish** amid extended downside impact from recent soft Australia data as well as market risk aversion.
- **Weekly and monthly outlook bearish**.
- AUDUSD has broken below 0.7710, which we noted will likely trigger a move to 0.7517 on a longer-term. Recapturing 0.7710 will allay the bears but it will not be until a break at 0.7759 that upside bias can prevail.
- **Expect a potential decline to 0.7645**, otherwise curbed by a close above 0.7740.
- **Key resistances:** 0.7720 (R1), 0.7761 (R2), 0.7790 (R3)
- **Key supports:** 0.7700 (S1), 0.7685 (S2), 0.7667 (S3)
- **Expected range for the day:** 0.7685 – 0.7730

Indicative AUDMYR 3.2624

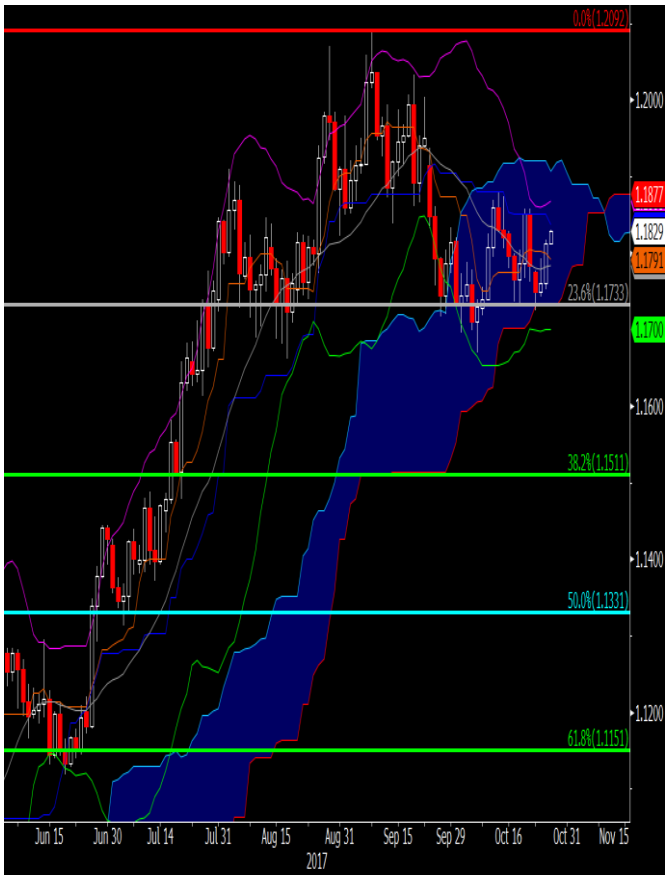


Source: Bloomberg

- AUDMYR opened 15pips lower at 3.2603. **Daily outlook slightly bearish** in anticipation of risk aversion in the markets on top of negative fundamentals impacting AUD.
- **Weekly and monthly outlook bearish**.
- AUDMYR tumbled through key supports and with the emergence of a bearish bias, is tilted to the downside. Further losses are likely, with scope to slide to as low as 3.2400.
- **Expect a potential decline to 3.2460**, otherwise curbed by a close above 3.2780.
- **Key resistances:** 3.2683 (R1), 3.2783 (R2), 3.2840 (R3)
- **Key supports:** 3.2613 (S1), 3.2551 (S2), 3.2524 (S3)
- **Expected range for the day:** 3.2550 – 3.2680

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

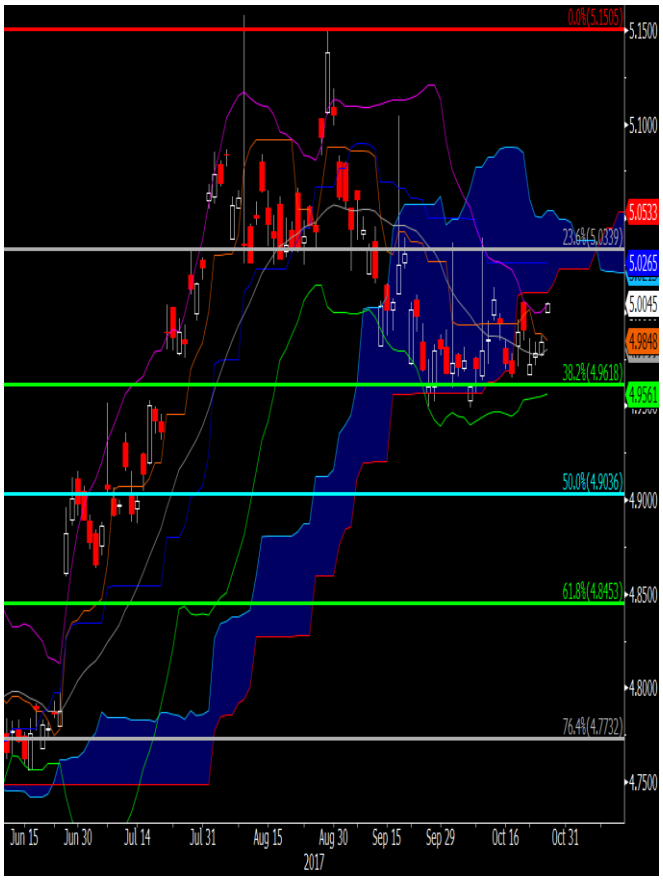
Indicative EURUSD 1.1829



Source: Bloomberg

- EURUSD opened unchanged at 1.1813. **Daily outlook bearish** on risk aversion ahead of ECB policy decision; with much market expectation on QE tapering announcement, anything short will likely trigger strong EURUSD decline.
- **Weekly and monthly outlook bearish**.
- EURUSD broke through firm resistances but we currently maintain a bearish view as upsides may be limited after sharp overnight gains.
- **We continue expect a potential decline to 1.1690**, otherwise curbed by a close above 1.1868.
- **Key resistances:** 1.1837 (R1), 1.1858 (R2), 1.1868 (R3)
- **Key supports:** 1.1803 (S1), 1.1791 (S2), 1.1784 (S3)
- **Expected range for the day:** 1.1780 – 1.1850

Indicative EURMYR 5.0045



Source: Bloomberg

- EURMYR opened 159pips higher at 4.9997. **Daily outlook bullish**, lifted by a sharply higher opening.
- **Weekly and monthly outlook bearish**.
- A firm break above 5.0000 has likely altered the technical landscape. EURMYR is now threatening 5.0106, which if broken will trigger further gains to circa 5.0339.
- **EURMYR is now unlikely to decline to 4.9620**.
- **Key resistances:** 5.0106 (R1), 5.0217 (R2), 5.0265 (R3)
- **Key supports:** 5.0026 (S1), 4.9911 (S2), 4.9847 (S3)
- **Expected range for the day:** 4.9950 – 5.0100

** 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.