Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

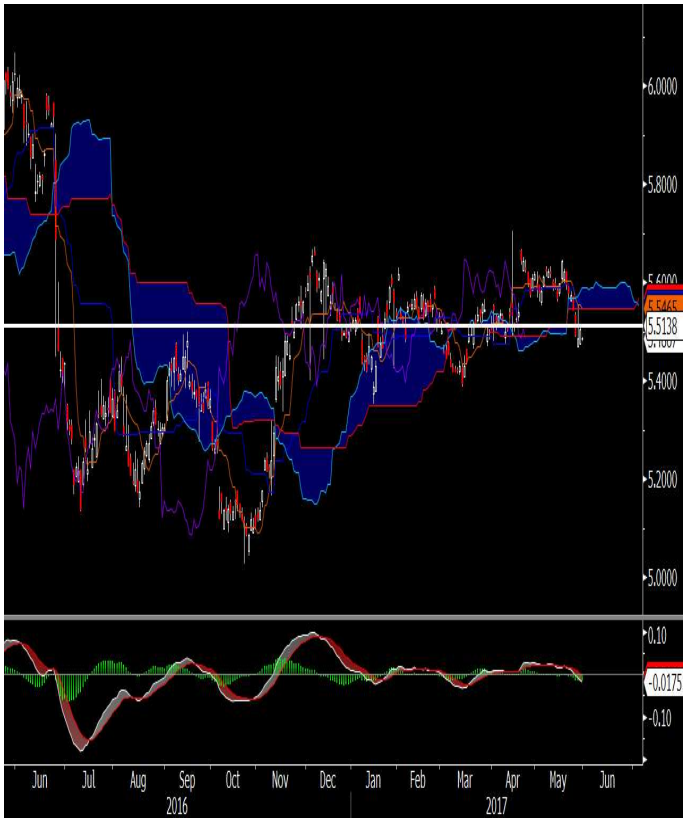
Indicative USDMYR 4.2778



Source: Bloomberg

- USDMYR opened lower for a 7th straight day today. **Daily outlook bearish**, helped by a lower opening despite a firmer overnight USD and retreating risk appetite.
- **Weekly and monthly outlook bearish**.
- Bearishness persists in USDMYR even though negative momentum continues to retreat. The pair remains slightly oversold technically, and is poised for further rebound, possibly towards 4.2941 before any move lower again to test 4.2151.
- We maintain our view for a decline to 4.2478 if the pair gets rejected by 4.2941.
- **Key resistances:** 4.3063 (R1), 4.3115 (R2), 4.3252 (R3)
- **Key supports:** 4.2461 (S1), 4.2289 (S2), 4.2151 (S3)
- **Expected range for the day:** 4.2700 – 4.2800

Indicative GBPMYR 5.4867

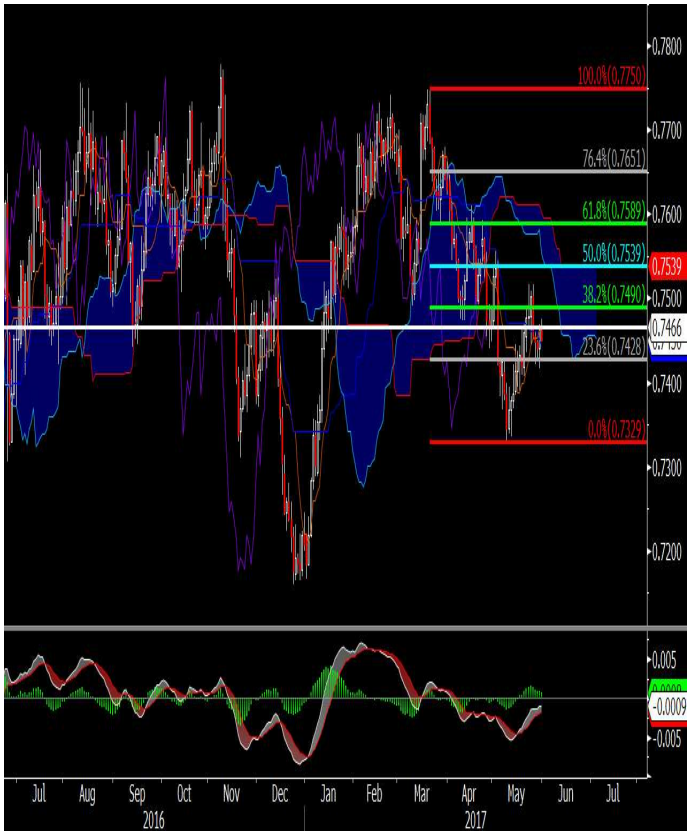


Source: Bloomberg

- GBPMYR opened 204pips lower at 5.4852. **Daily outlook bearish** on the back of a stronger MYR and persistent GBP weakness.
- **Weekly and monthly outlook bearish**.
- Bearish bias has picked up, suggesting GBPMYR is poised for further declines.
- **Maintain our view for a downward slide in GBPMYR to 5.4723** and a break from here could lead the pair all the way down to 5.4008.
- **Key resistances**: 5.4993 (R1), 5.5153 (R2), 5.5315 (R3)
- **Key supports**: 5.4764 (S1), 5.4650 (S2), 5.4511 (S3)
- **Expected range for the day:** 5.4765 – 5.4882

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

Indicative AUDUSD 0.7450



Source: Bloomberg

- AUDUSD opened unchanged at 0.7465. **Daily outlook slightly bearish dampened by a firmer USD and retreat in risk appetite.**
- **Weekly and monthly outlook bullish**.
- Momentum indicator remains positive, albeit softer, suggesting the pair still poses strength to test higher ground, at 0.7539.
- **Key resistances:** 0.7510 (R1), 0.7539 (R2), 0.7572 (R3)
- **Key supports:** 0.7407 (S1), 0.7388 (S2), 0.7368 (S3)
- **Expected range for the day:** 0.7400 – 0.7510

Indicative AUDMYR 3.1864

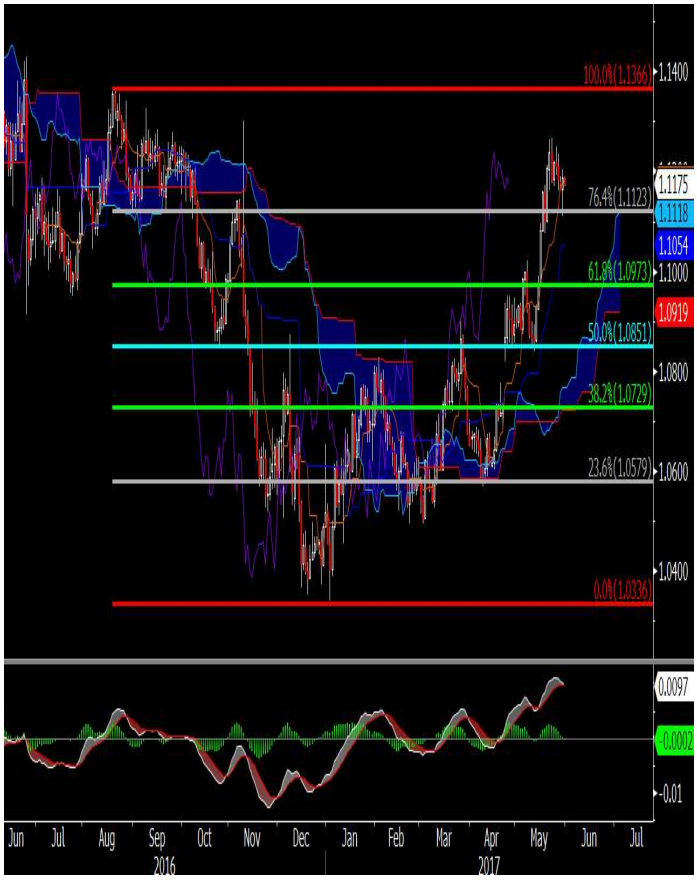


Source: Bloomberg

- AUDMYR opened 56pips higher at 3.1941. **Daily outlook slightly bearish**, on the back of a stronger MYR and softer AUD.
- **Weekly outlook bullish, monthly outlook bearish**.
- The pair remains bearish and momentum indicator remains in positive territory. We now expect AUDMYR to slide towards 3.1266 if it fails to recapture 3.2032.
- **Key resistances:** 3.1945 (R1), 3.2032 (R2), 3.2221 (R3)
- **Key supports:** 3.1796 (S1), 3.1684 (S2), 3.1507 (S3)
- **Expected range for the day:** 3.1796 – 3.1974

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

Indicative EURUSD 1.1175

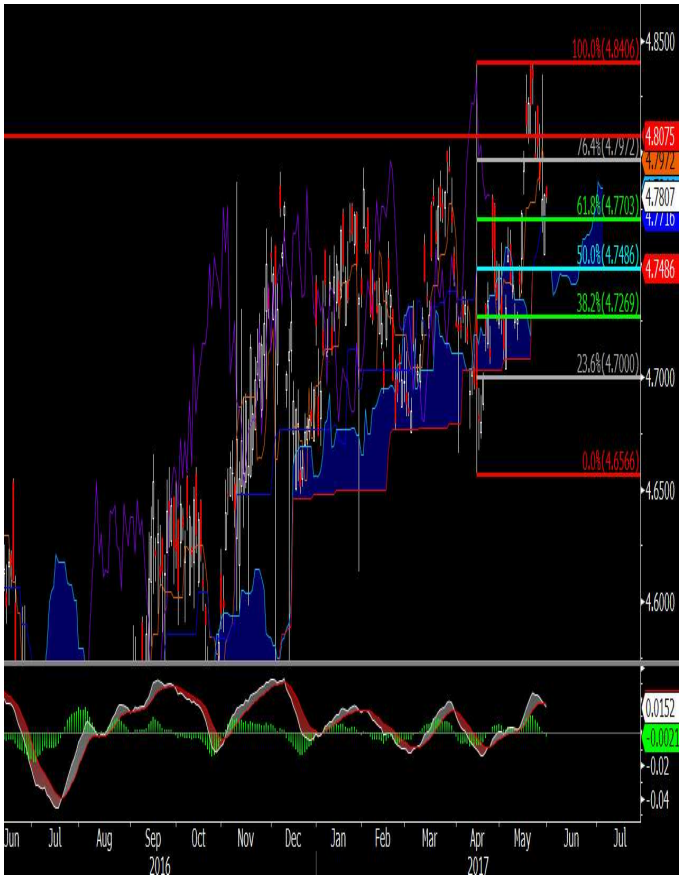


Source: Bloomberg

- EURUSD opened unchanged at 1.1186. **Daily outlook bearish**, on the back USD strength and the paring of risk appetite.
- **Weekly and monthly outlook bullish**.
- EURUSD remains technically bullish though upside strength appears to be abating. The pair may be subjected to some consolidation before any attempt to move towards 1.1254 again.
- **Expect a pullback to 1.1123 or even 1.1080 before the pair bounces up again.**
- **Key resistances:** 1.1254 (R1), 1.1280 (R2), 1.1300 (R3)
- **Key supports:** 1.1168 (S1), 1.1101 (S2), 1.1046 (S3)
- **Expected range for the day:** 1.1160 – 1.1190

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

Indicative EURMYR 4.7790



Source: Bloomberg

- EURMYR opened 38pips higher at 4.7850. **Daily outlook slightly bearish** amid expectations for a firm MYR and weak EUR.
- **Weekly outlook neutral, monthly outlook bullish**.
- Technical suggests the pair is beginning to turn bearish. Momentum indicator has turned negative and we maintain our view for the pair to gyrate lower to 4.7703. A break below this will open up the way to 4.7486.
- **Key resistances:** 4.7854 (R1), 4.7981 (R2), 4.8075 (R3)
- **Key supports:** 4.7773 (S1), 4.7703 (S2), 4.7486 (S3)
- **Expected range for the day:** 4.7700 – 4.7850

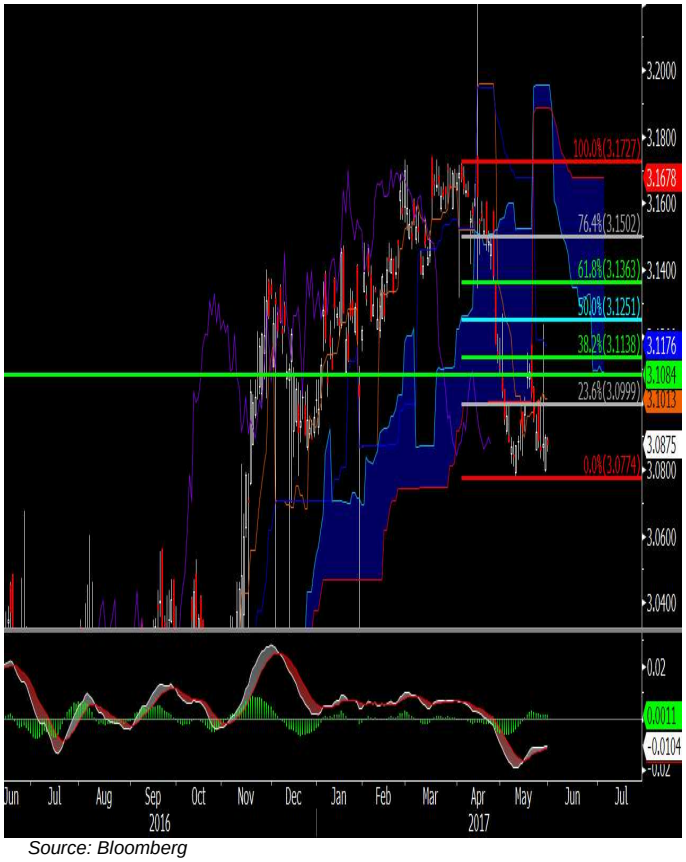
Indicative USDSGD 1.3852



Source: Bloomberg

- USDSGD opened unchanged at 1.3844. **Daily outlook slightly bearish** amid a firmer USD.
- **Weekly and monthly outlook bearish**.
- Bearish bias prevails; we continued to expect USDSGD to test 1.3806 going forward, below which there is a strong chance to slide lower to 1.3631.
- **Key resistances:** 1.3904 (R1), 1.3947 (R2), 1.3967 (R3)
- **Key supports:** 1.3829 (S1), 1.3806 (S2), 1.3749 (S3)
- **Expected range for the day:** 1.3830 – 1.3880

Indicative SGDMYR 3.0877



Source: Bloomberg

- SGDMYR opened 7pips lower at 3.0889. **Daily outlook slightly bearish**, on the back of greater MYR strength vs SGD.
- **Weekly outlook bearish, monthly outlook bullish**.
- Bullish technical outlook remains at risk as SGDMYR failed to close above 3.0999, indicating strengthening bears. This was however negated by sustained positive momentum as shown by MACD.
- **Key resistances:** 3.0999 (R1), 3.1031 (R2), 3.1084 (R3)
- **Key supports:** 3.0861 (S1), 3.0774 (S2), 3.0625 (S3)
- **Expected range for the day:** 3.0800 – 3.0896

** 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.