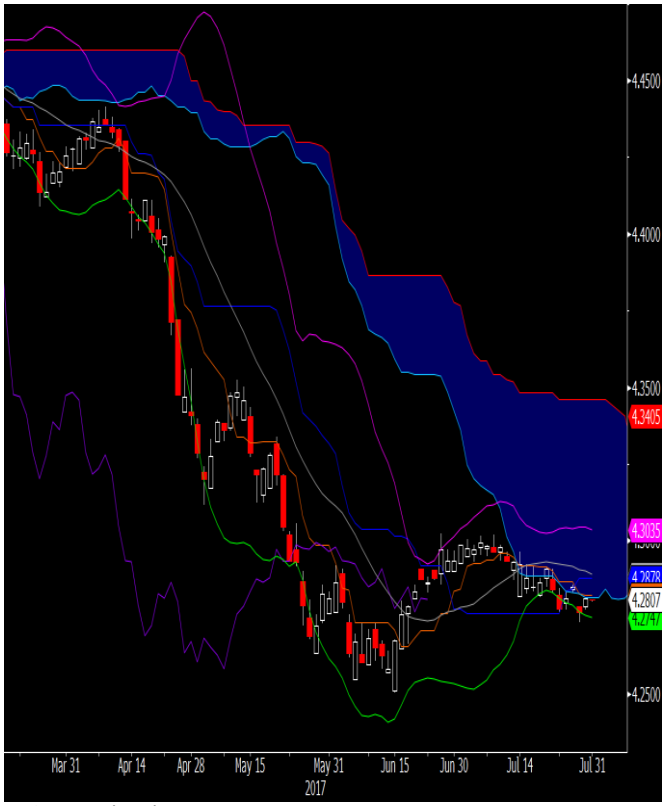
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FX Strategy

Daily Currency Outlook – 11am edition

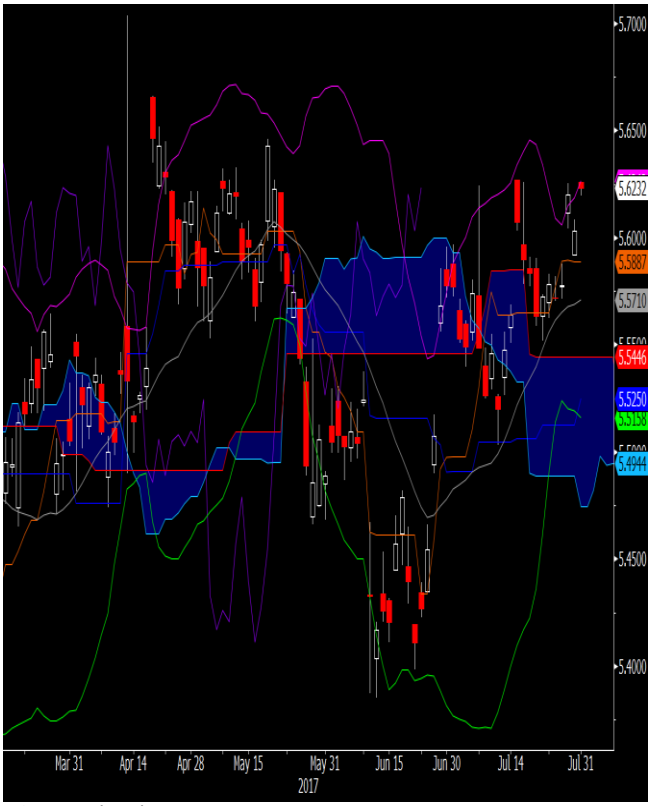
Indicative USDMYR 4.2807



Source: Bloomberg

- USDMYR opened slightly lower today. **Daily outlook bearish** on the back of a softer USD, but losses are likely capped by prevailing risk-off sentiment in the markets.
- **Weekly outlook neutral, monthly outlook bearish**.
- USDMYR resisted a close above 4.2814, which will likely put it on the defensive time being. The pair is inclined to losses while below 4.2814.
- Despite a bearish daily outlook, **continue to expect a potential climb to 4.2915**, otherwise curbed by a close below 4.2760.
- **Key resistances:** 4.2814 (R1), 4.2824 (R2), 4.2851 (R3)
- **Key supports:** 4.2800 (S1), 4.2773 (S2), 4.2745 (S3)
- **Expected range for the day:** 4.2775 – 4.2830

Indicative GBPMYR 5.6232

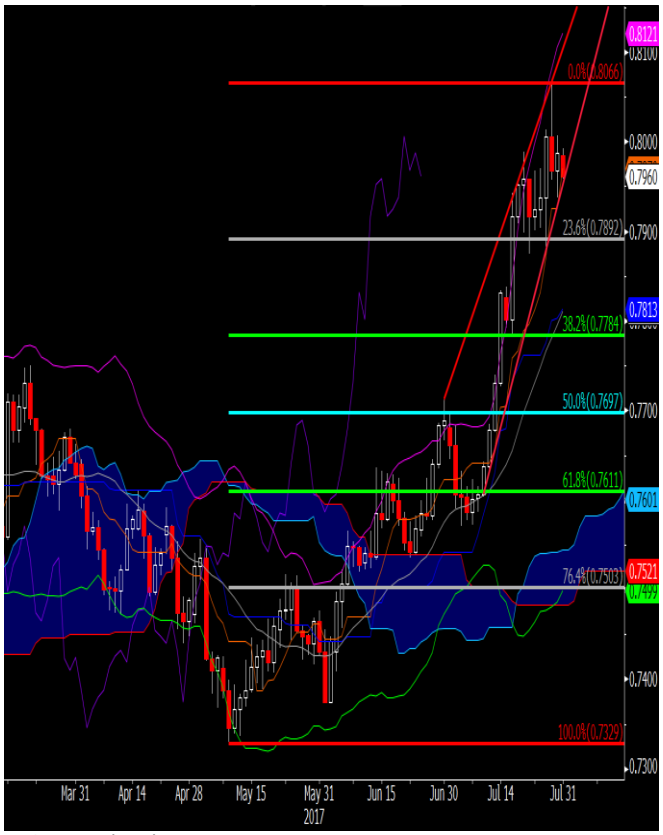


Source: Bloomberg

- GBPMYR opened 225pips higher at 5.6256. **Daily outlook bullish**, lifted by the sharply higher opening.
- **Weekly outlook neutral, monthly outlook bearish**.
- GBPMYR is sending mixed signals after a slew of gap-ups and gap-downs. After today's gap-up that broke 5.6175, we opine that the pair is now inclined towards gains, but upside strength may fizzle out approaching 5.6280.
- **GBPMYR is now unlikely to decline to 5.5680**, otherwise curbed by a close above 5.6100.
- **Key resistances**: 5.6261 (R1), 5.6280 (R2), 5.6300 (R3)
- **Key supports**: 5.6200 (S1), 5.6146 (S2), 5.6041 (S3)
- **Expected range for the day:** 5.6150 – 5.6260

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

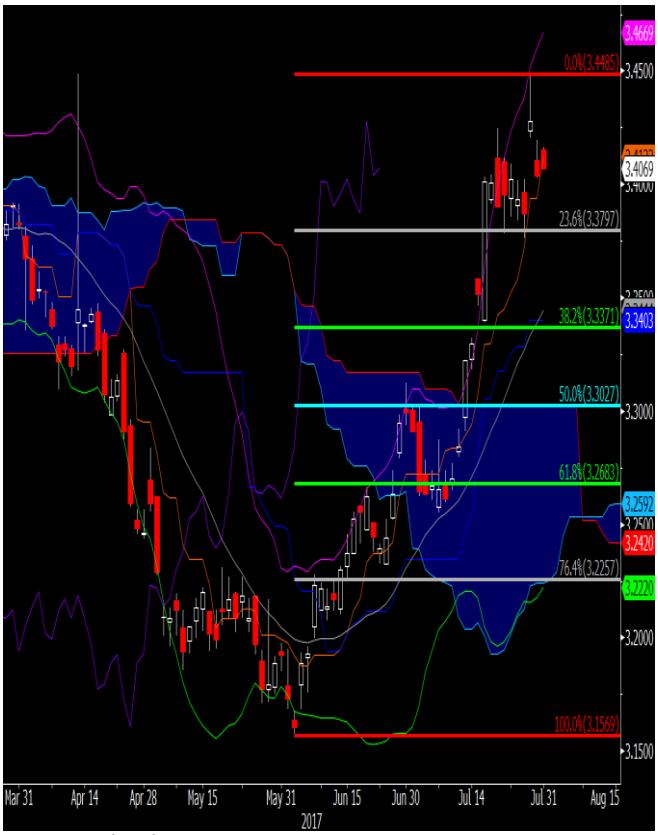
Indicative AUDUSD 0.7960



Source: Bloomberg

- AUDUSD opened unchanged at 0.7985. **Daily outlook bearish**, weighed down by risk-off sentiment in the markets and risk aversion ahead of RBA policy decision.
- **Weekly outlook bearish, monthly outlook bullish**.
- Despite recent gains, AUDUSD still fail to challenge crucial resistance above which will enhance further upsides. As such, we maintain a bearish view and set sights on a drop to 0.7914, below which a path to 0.7802 will firm up.
- **Key resistances:** 0.7989 (R1), 0.8000 (R2), 0.8014 (R3)
- **Key supports:** 0.7957 (S1), 0.7915 (S2), 0.7900 (S3)
- **Expected range for the day:** 0.7940 – 0.8010

Indicative AUDMYR 3.4069

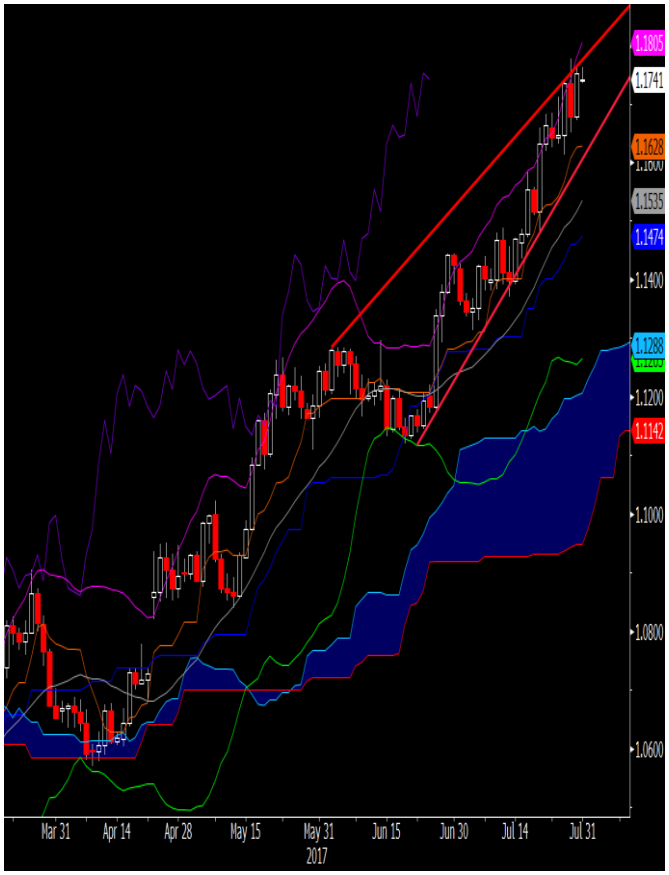


Source: Bloomberg

- AUDMYR opened 116pips higher at 3.4154. **Daily outlook slightly bearish**, weighed down by risk-off in the markets.
- **Weekly outlook bearish, monthly outlook bullish**.
- Amid thinning upside momentum and after recent rejection from highs, we maintain that AUDMYR has likely peaked and is now gradually turning lower. Do not rule out a last-ditch attempt to break higher and anything below 3.4679 remains within the realm of possibility and unlikely to sustain.
- **Continue to expect a potential decline to 3.3797**, otherwise curbed by a close above 3.4250.
- **Key resistances:** 3.4100 (R1), 3.4122 (R2), 3.4248 (R3)
- **Key supports:** 3.4058 (S1), 3.4020 (S2), 3.4000 (S3)
- **Expected range for the day:** 3.4000 – 3.4100

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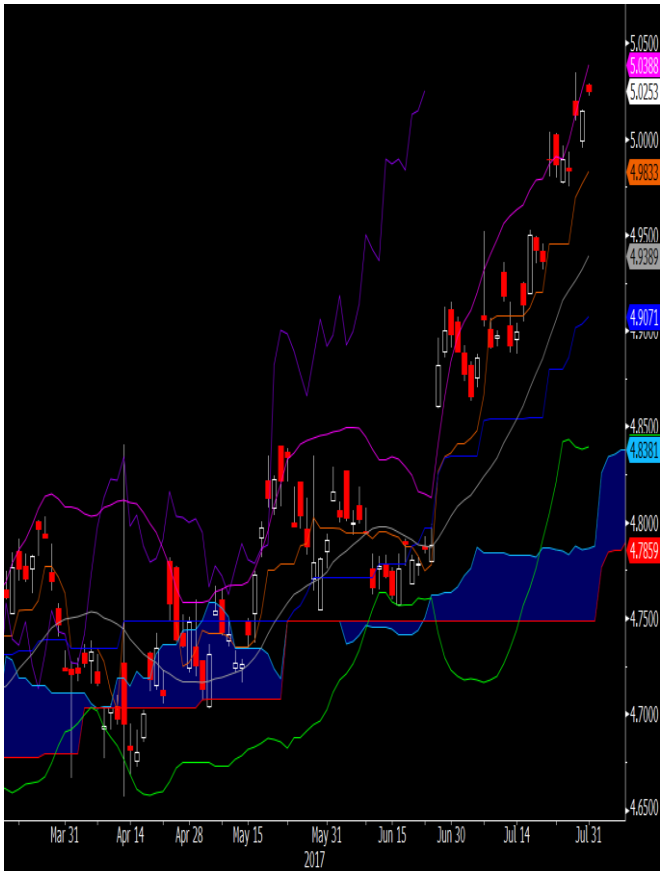
Indicative EURUSD 1.1741



Source: Bloomberg

- EURUSD opened 12pips lower at 1.1739. **Daily outlook bearish** to the extent of a bullish USD.
- **Weekly outlook bearish, monthly outlook bullish**.
- Continued failure to test recent highs despite overnight rally hints at bullish exhaustion. We reckon that EURUSD will gradually lose upside strength, and set sights on a decline to below 1.1586 in the coming weeks.
- **Expect a potential decline to 1.1586**, otherwise curbed by a close above 1.1820.
- **Key resistances:** 1.1764 (R1), 1.1804 (R2), 1.1820 (R3)
- **Key supports:** 1.1712 (S1), 1.1700 (S2), 1.1670 (S3)
- **Expected range for the day:** 1.1700 – 1.1770

Indicative EURMYR 5.0253



Source: Bloomberg

- EURMYR opened 132pips higher at 5.0280. **Daily outlook bullish**, lifted by the sharply higher opening though we reckon current gains may be narrowed.
- **Weekly outlook bearish, monthly outlook bullish**.
- Despite overnight rally and today's gap-up, EURMYR still failed to test the crucial resistance above which will enhance its upsides. As such, we remain doubtful that the pair could extend the current bullish strength and set sights on an exhaustion approaching 5.0300 – 5.0320 before sliding lower.
- **Expect a potential decline to 4.9950**, otherwise curbed by a close above 5.0388.
- **Key resistances:** 5.0286 (R1), 5.0320 (R2), 5.0387 (R3)
- **Key supports:** 5.0246 (S1), 5.0156 (S2), 5.0036 (S3)
- **Expected range for the day:** 5.0180 – 5.0300

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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

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