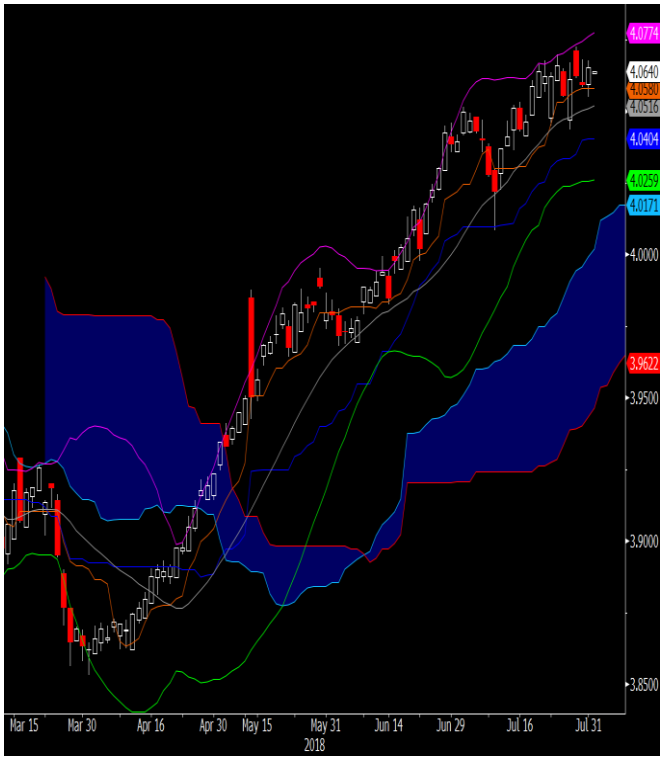
Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

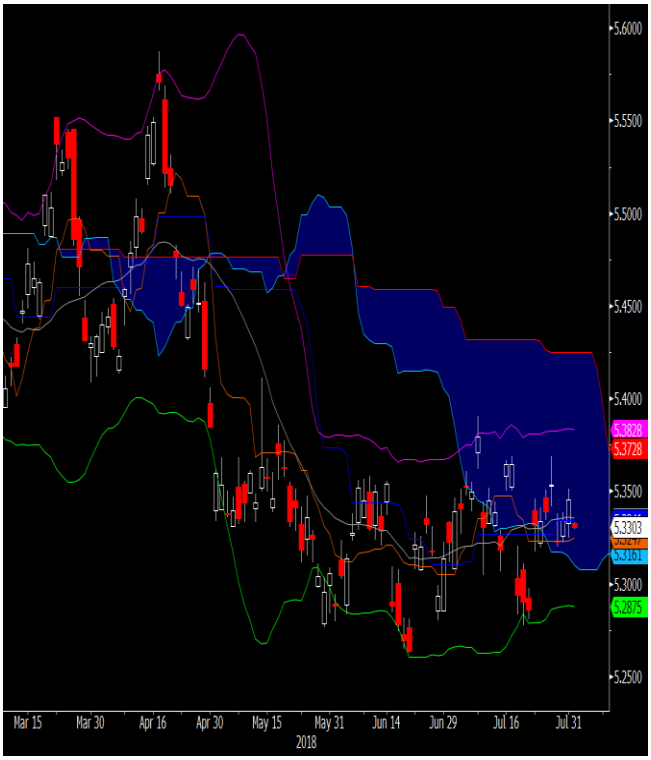
Indicative USDMYR 4.0640



Source: Bloomberg

- USDMYR opened lower today. **Daily outlook neutral**, with room for slight losses in anticipation of a softer USD going into European session.
- **Weekly and monthly outlook bearish**.
- We continue to note prevalence of price-momentum divergence and signs of upside fatigue, both of which suggest a reversal lower is impending for USDMYR. Losing 4.0580 will expose a decline to 4.0500 in the next leg lower.
- **Continue to expect a potential decline to 4.0500**, otherwise nullified by a close above 4.0680.
- **Key resistances:** 4.0650 (R1), 4.0675 (R2), 4.0700 (R3)
- **Key supports:** 4.0620 (S1), 4.0600 (S2), 4.0580 (S3)
- **Expected range for the day:** 4.0580 – 4.0660

Indicative GBPMYR 5.3303

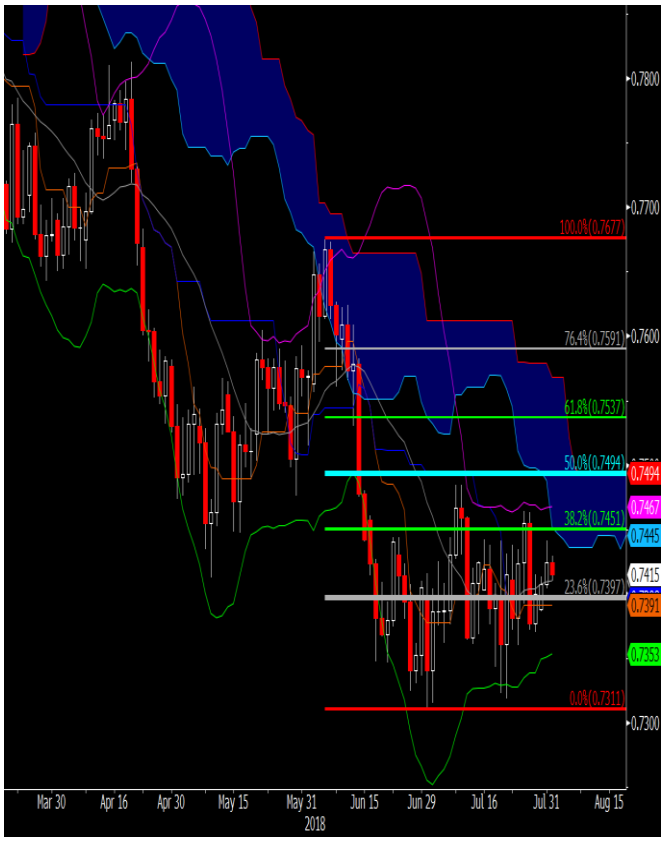


Source: Bloomberg

- GBPMYR opened 126pips lower at 5.3328 today. **Daily outlook bearish**, weighed down by the sharply lower opening though losses may be narrowed going forward.
- **Weekly outlook neutral, monthly outlook bearish**.
- Downside risk in GBPMYR has increased after sliding below 5.3351 at opening. There is room for a test at 5.3247, and losing this exposes a move to 5.3098 in the next leg lower. Recapturing 5.3351 exposes a move to 5.3590.
- **Key resistances**: 5.3341 (R1), 5.3352 (R2), 5.3387 (R3)
- **Key supports**: 5.3271 (S1), 5.3247 (S2), 5.3221 (S3)
- **Expected range for the day:** 5.3250 – 5.3350

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

Indicative AUDUSD 0.7415

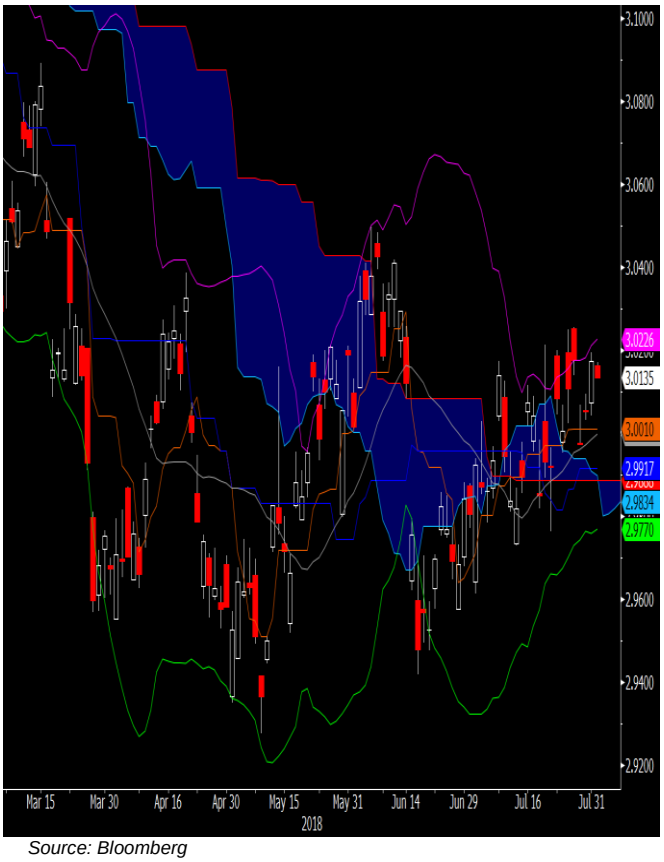


Source: Bloomberg

- AUDUSD opened unchanged at 0.7424 today. **Daily outlook slightly bullish**, supported by continued recovery in market sentiment.
- **Weekly and monthly outlook bullish**.
- Holding above 0.7397 allows further rebound in AUDUSD. We set sights on a climb to 0.7415 next, above which there is scope to test 0.7436.
- **Continue to expect a potential advance to 0.7480**, otherwise curbed by a close below 0.7390.
- **Key resistances:** 0.7439 (R1), 0.7451 (R2), 0.7466 (R3)
- **Key supports:** 0.7397 (S1), 0.7382 (S2), 0.7350 (S3)
- **Expected range for the day:** 0.7400 – 0.7450

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

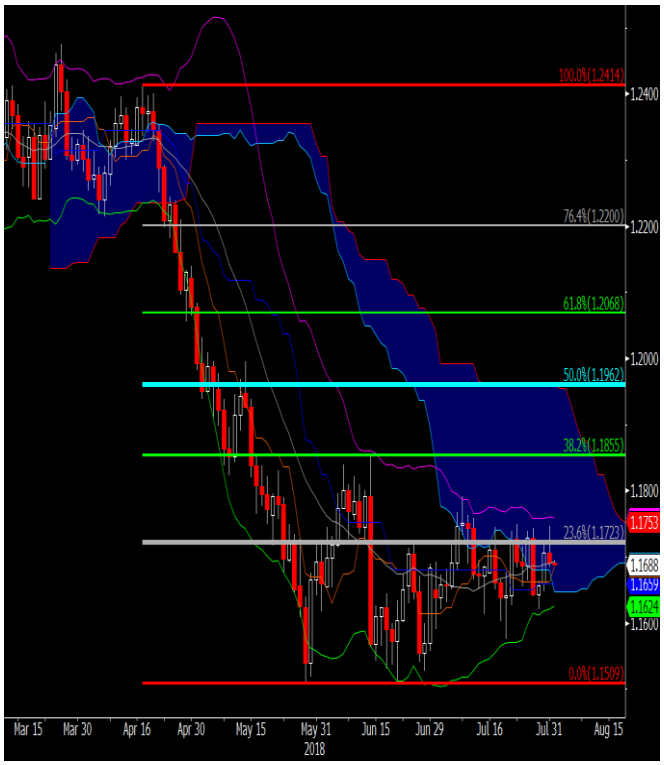
Indicative AUDMYR 3.0136



Source: Bloomberg

- AUDMYR opened 11pips lower at 3.0163 today. **Daily outlook slightly bullish** in line with our view of a firmer AUD.
- **Weekly outlook bullish, monthly outlook bearish**.
- Upside bias continues to increase, suggesting that gains are likely to prevail going forward. Risk of rejection increases approaching 3.0285 – 3.0307 and could potentially trigger a drop to 3.0040 – 3.0050.
- **Continue to expect a potential climb to 3.0251**, otherwise curbed by a close below 3.0090.
- **Key resistances:** 3.0145 (R1), 3.0175 (R2), 3.0200 (R3)
- **Key supports:** 3.0112 (S1), 3.0090 (S2), 3.0040 (S3)
- **Expected range for the day:** 3.0090 – 3.0230

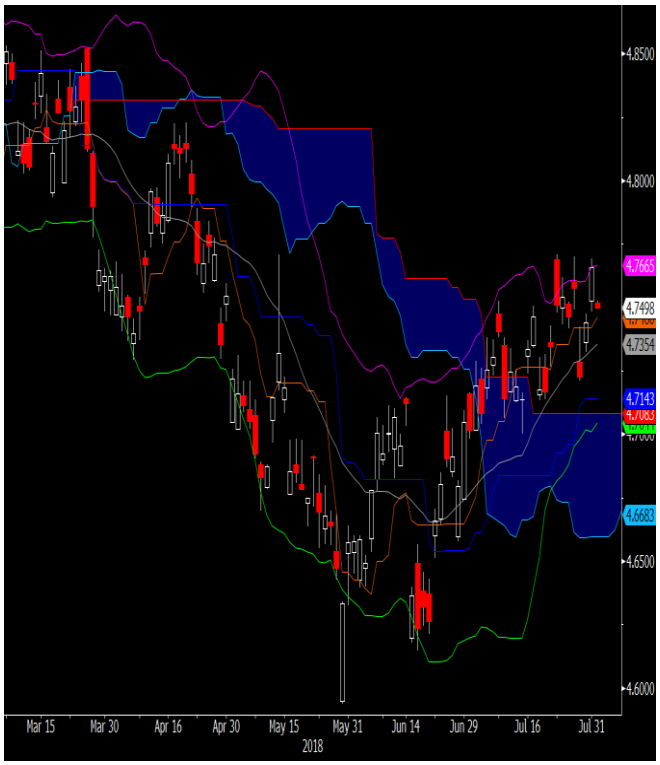
Indicative EURUSD 1.1688



Source: Bloomberg

- EURUSD opened unchanged at 1.1691 today. **Daily outlook slightly bullish** in anticipation of a soft USD; firm Eurozone data will provide support for extended advance.
- **Weekly and monthly outlook bullish**.
- EURUSD once again failed at 1.1723, but even so, upside momentum appears to have firmed up. We expect EURUSD to test 1.1723 again; a break here exposes a move to 1.1791, otherwise, expect a decline back to 1.1662 or lower.
- **Key resistances:** 1.1691 (R1), 1.1723 (R2), 1.1759 (R3)
- **Key supports:** 1.1680 (S1), 1.1658 (S2), 1.1647 (S3)
- **Expected range for the day:** 1.1660 – 1.1720

Indicative EURMYR 4.7498



Source: Bloomberg

- EURMYR opened 140pips lower at 4.7519 today. **Daily outlook bearish**, weighed down by the sharply lower opening though losses may be narrowed going forward.
- **Weekly outlook bullish, monthly outlook bearish**.
- EURMYR was again rejected circa 4.7693, third time in about 2 weeks. The resulting decline could test 4.7460 next, and losing 4.7423 will accelerate the downsides.
- **Continue to expect a potential advance to 4.7840**, otherwise nullified by a close below 4.7423.
- **Key resistances:** 4.7509 (R1), 4.7525 (R2), 4.7550 (R3)
- **Key supports:** 4.7460 (S1), 4.7423 (S2), 4.7354 (S3)
- **Expected range for the day:** 4.7460 – 4.7560

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

Hong Leong Bank Berhad
Fixed Income & Economic Research, Global Markets
Level 8, Hong Leong Tower
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.