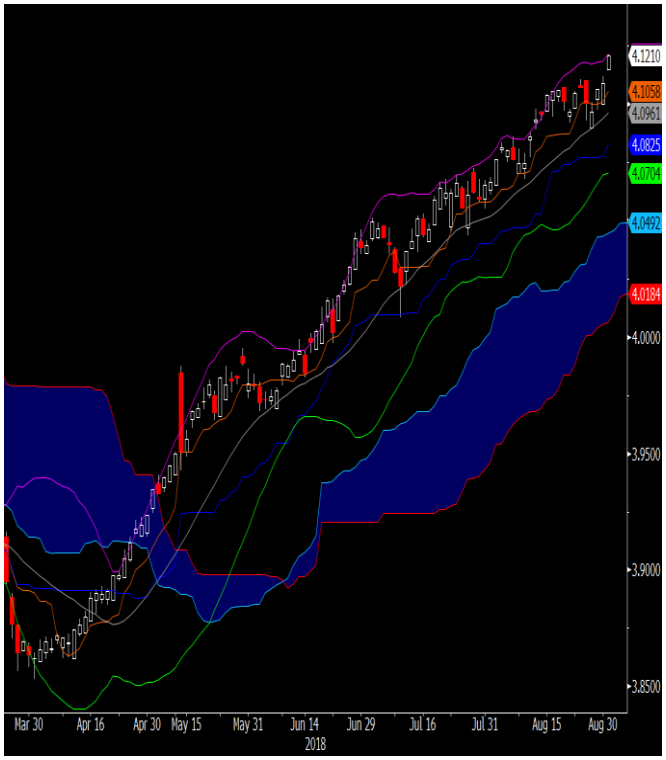
Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

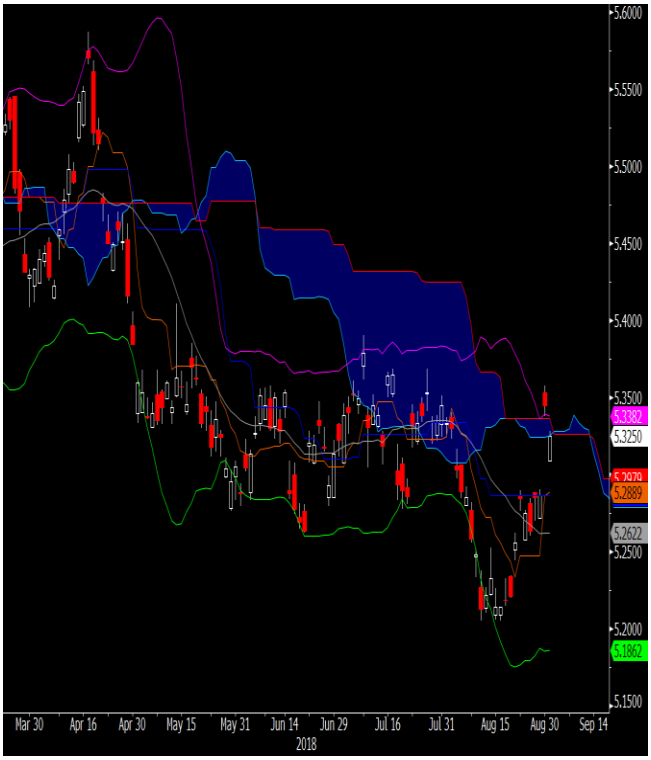
Indicative USDMYR 4.1210



Source: Bloomberg

- USDMYR opened higher today. **Daily outlook bullish** as MYR is expected to be weighed down by re-emergence of trade war concerns.
- **Weekly outlook neutral, monthly outlook bearish**.
- USDMYR is tilted to the upside and could test 4.1250 - 4.1280 next. But we continue to note a lack of upward momentum despite climbing higher, which suggests that bullish strength may soon fade and limit extended gains.
- **Key resistances:** 4.1230 (R1), 4.1250 (R2), 4.1280 (R3)
- **Key supports:** 4.1200 (S1), 4.1185 (S2), 4.1160 (S3)
- **Expected range for the day:** 4.1150 – 4.1250

Indicative GBPMYR 5.3250

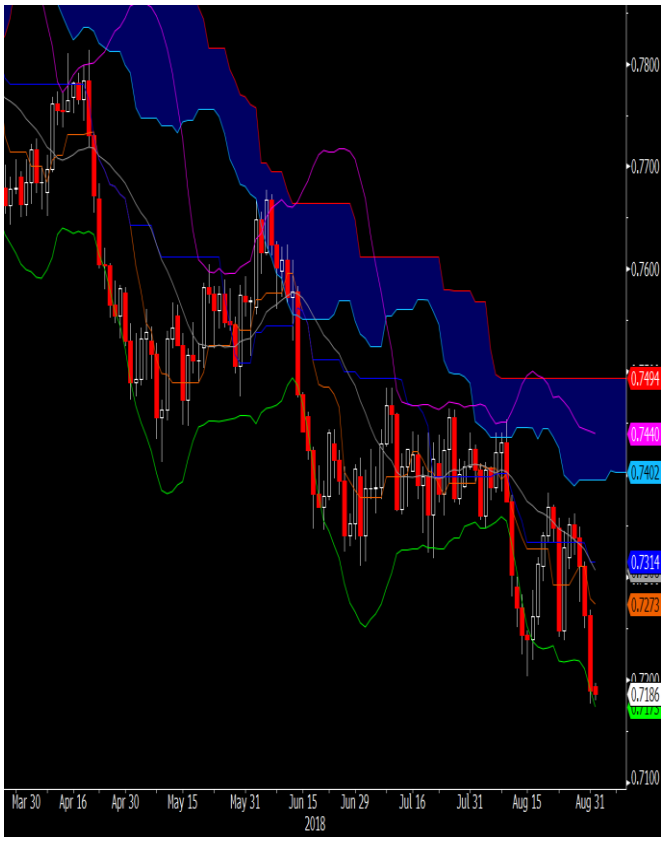


Source: Bloomberg

- GBPMYR opened 355pips lower at 5.3094 today. **Daily outlook bullish**, buoyed by the sharply higher opening.
- **Weekly outlook neutral, monthly outlook bearish**.
- Despite a sharply lower opening today, GBPMYR remains within a bullish trend, with upside momentum rising. Continue to expect gains going forward.
- **Key resistances**: 5.3285 (R1), 5.3300 (R2), 5.3344 (R3)
- **Key supports**: 5.3200 (S1), 5.3170 (S2), 5.3150 (S3)
- **Expected range for the day:** 5.3090 – 5.3310

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

Indicative AUDUSD 0.7186

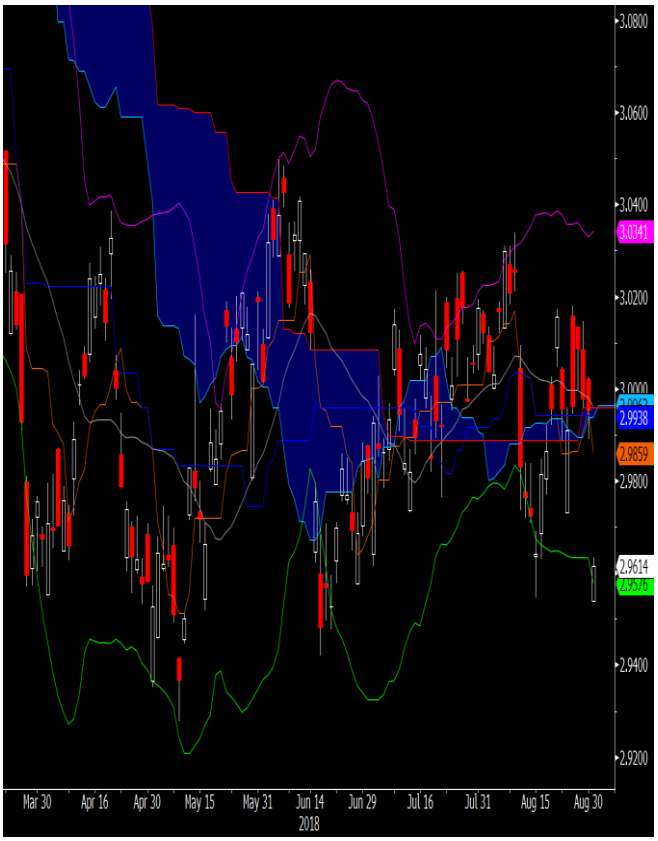


Source: Bloomberg

- AUDUSD opened 4pips higher at 0.7193 today. **Daily outlook slightly bearish** as domestic and external growth concerns continue to hamper demand.
- **Weekly outlook bearish, monthly outlook bullish**.
- Technical outlook has worsened after breaking below 0.7200. Further losses to 0.7158 is likely eyed, while a rebound must beat 0.7240 for extended gains to be sustainable.
- **Key resistances:** 0.7200 (R1), 0.7220 (R2), 0.7250 (R3)
- **Key supports:** 0.7176 (S1), 0.7158 (S2), 0.7140 (S3)
- **Expected range for the day:** 0.7160 – 0.7200

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

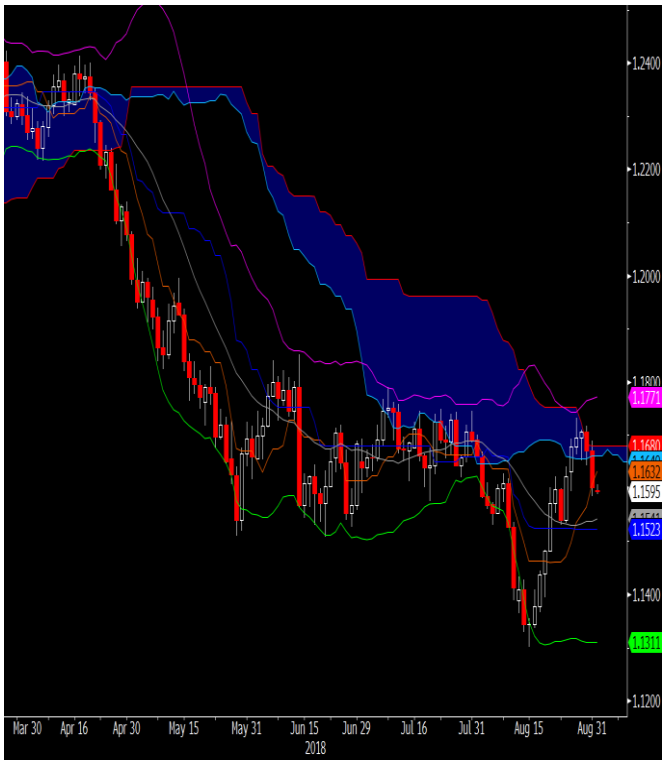
Indicative AUDMYR 2.9614



Source: Bloomberg

- AUDMYR opened 43pips higher at 3.0020 today. **Daily outlook slightly bearish** with AUD weighed down by risk aversion in the markets.
- **Weekly outlook bearish, monthly outlook neutral**.
- AUDMYR downside bias has increased after losing 2.9959 and is now at risk of testing 2.9502, below which extended losses may prevail.
- **Key resistances:** 2.9630 (R1), 2.9650 (R2), 2.9680 (R3)
- **Key supports:** 2.9600 (S1), 2.9580 (S2), 2.9560 (S3)
- **Expected range for the day:** 2.9500 – 2.9630

Indicative EURUSD 1.1595

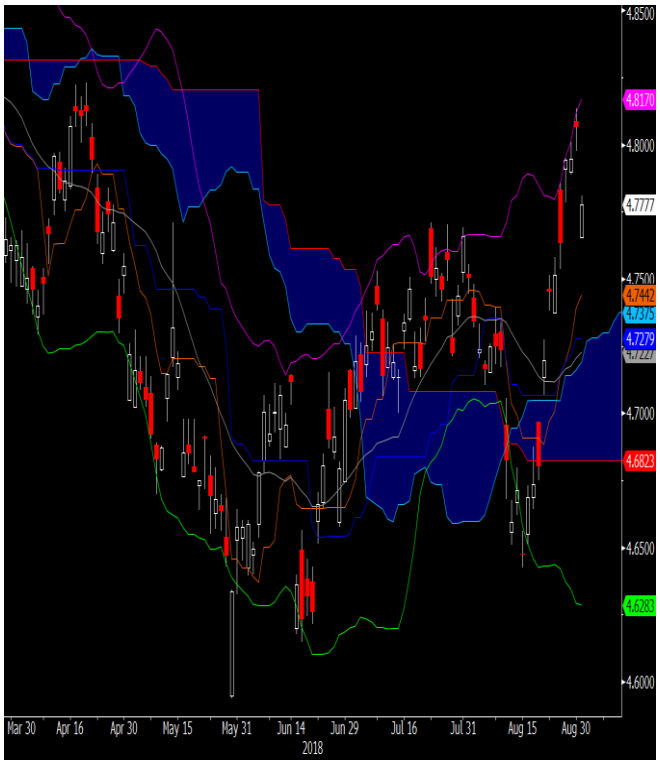


Source: Bloomberg

- EURUSD opened 6pips lower at 1.1596 today. **Daily outlook bearish** on the back of rebounding USD and rising risk aversion in European markets from trade war concerns.
- **Weekly outlook bearish, monthly outlook bullish**.
- EURUSD has returned to a bearish trend after losing 1.1661 last Friday. Further losses are likely to prevail if EURUSD losses 1.1600, with scope to drop to circa 1.1520 – 1.1540 next.
- **EURUSD is now unlikely to advance to 1.1750**.
- **Key resistances:** 1.1600 (R1), 1.1616 (R2), 1.1632 (R3)
- **Key supports:** 1.1576 (S1), 1.1553 (S2), 1.1520 (S3)
- **Expected range for the day:** 1.1560 – 1.1610

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

Indicative EURMYR 4.7777



Source: Bloomberg

- EURMYR opened 415pips lower at 4.7656 today. **Daily outlook bearish**, weighed down by the sharply lower opening.
- **Weekly and monthly outlook bearish**.
- EURMYR was rejected by the strong resistances that we previously noted. Caution that losing 4.7700 could potential trigger extended losses to circa 4.7442.
- **Key resistances:** 4.7812 (R1), 4.7860 (R2), 4.7890 (R3)
- **Key supports:** 4.7750 (S1), 4.7700 (S2), 4.7685 (S3)
- **Expected range for the day:** 4.7655 – 4.7820

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.