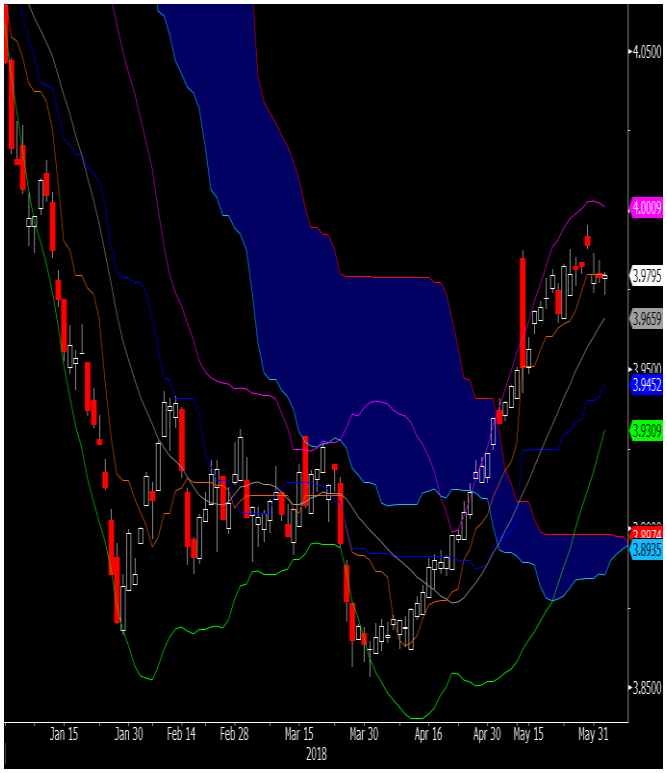
Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

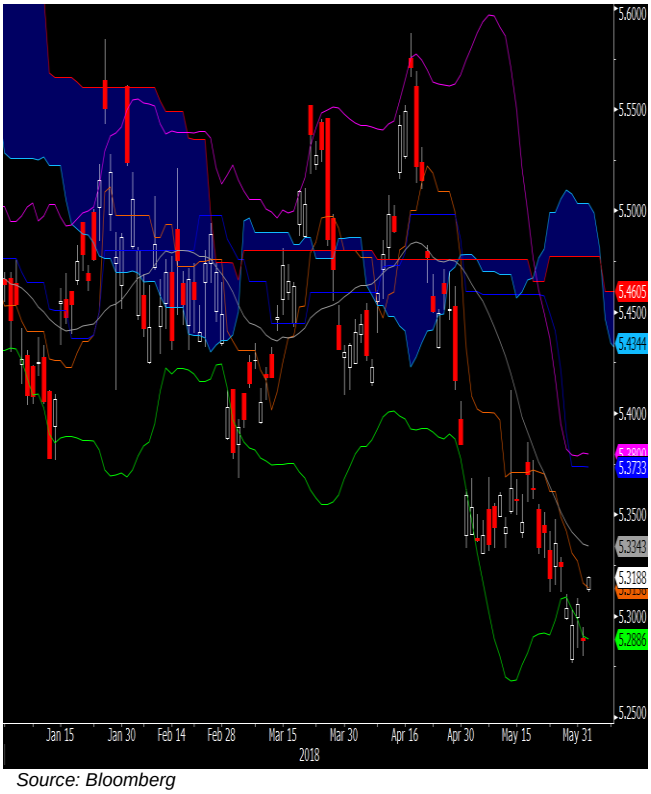
Indicative USDMYR 3.9795



Source: Bloomberg

- USDMYR opened barely changed today. **Daily outlook bearish**, with MYR supported by improving risk appetite in the markets.
- **Weekly and monthly outlook bearish**.
- The minor bullish trend that we previously noted has ended and a mild bearish bias has emerged, tilting USDMYR lower. We continue to set sights on USDMYR testing 3.9617 in the next leg lower.
- **Expect a potential decline to 3.9630**, otherwise curbed by a close above 3.9832.
- **Key resistances:** 3.9797 (R1), 3.9832 (R2), 3.9850 (R3)
- **Key supports:** 3.9760 (S1), 3.9713 (S2), 3.9700 (S3)
- **Expected range for the day:** 3.9700 – 3.9810

Indicative GBPMYR 5.3188

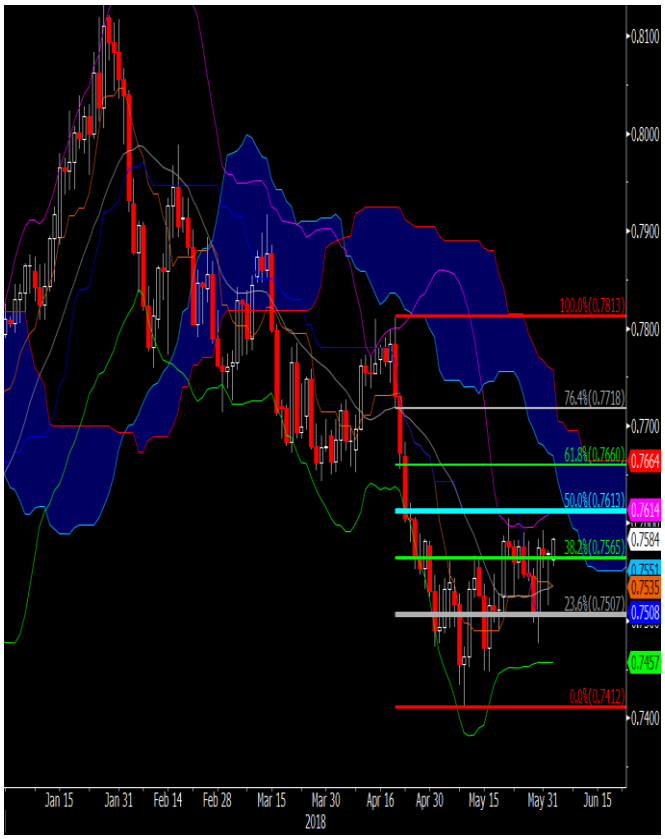


Source: Bloomberg

- GBPMYR opened 253pips higher at 5.3132 today. **Daily outlook bullish**, lifted by the sharply higher opening.
- **Weekly outlook bullish, monthly outlook bullish**.
- A mild bullish bias has emerged, allowing GBPMYR to climb higher. But being in deep bearish territory still, gains are likely modest, unless the pair manages to close above 5.3343.
- **Expect a potential advance to 5.3340**, otherwise curbed by a close below 5.3100.
- **Key resistances**: 5.3193 (R1), 5.3265 (R2), 5.3343 (R3)
- **Key supports**: 5.3138 (S1), 5.3109 (S2), 5.3085 (S3)
- **Expected range for the day:** 5.3100 – 5.3290

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

Indicative AUDUSD 0.7584

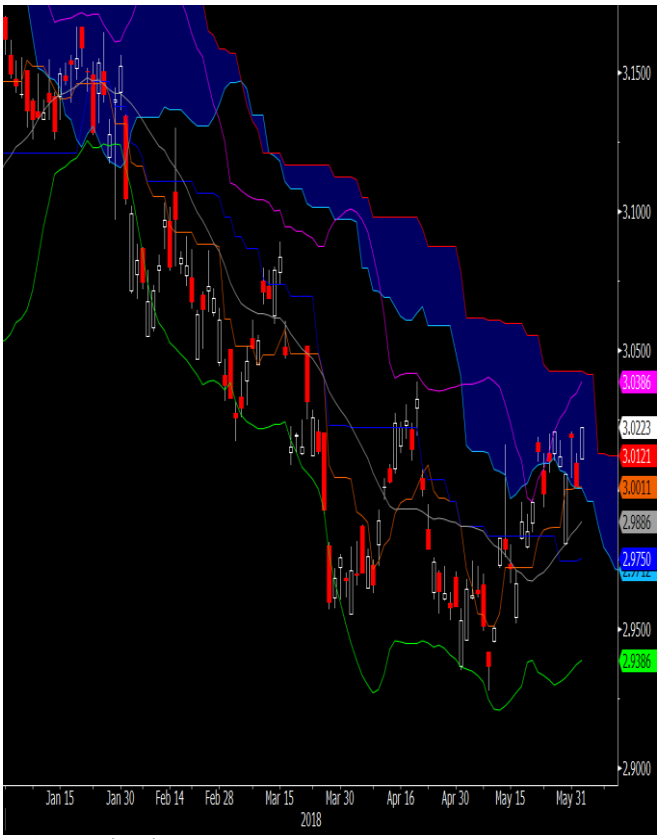


Source: Bloomberg

- AUDUSD opened 6pips lower at 0.7563. **Daily outlook bullish**, with AUD supported by improving risk appetite that is likely to spill over into Asian / European sessions from overnight US markets.
- **Weekly outlook bullish, monthly outlook neutral**.
- We maintain that AUDUSD is heading towards 0.7660 in the next leg higher. Above this, there is room to test 0.7718.
- **Continue to expect a potential advance to 0.7660**, otherwise curbed by a close below 0.7550.
- **Key resistances:** 0.7593 (R1), 0.7613 (R2), 0.7652 (R3)
- **Key supports:** 0.7575 (S1), 0.7565 (S2), 0.7550 (S3)
- **Expected range for the day:** 0.7550 – 0.7620

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

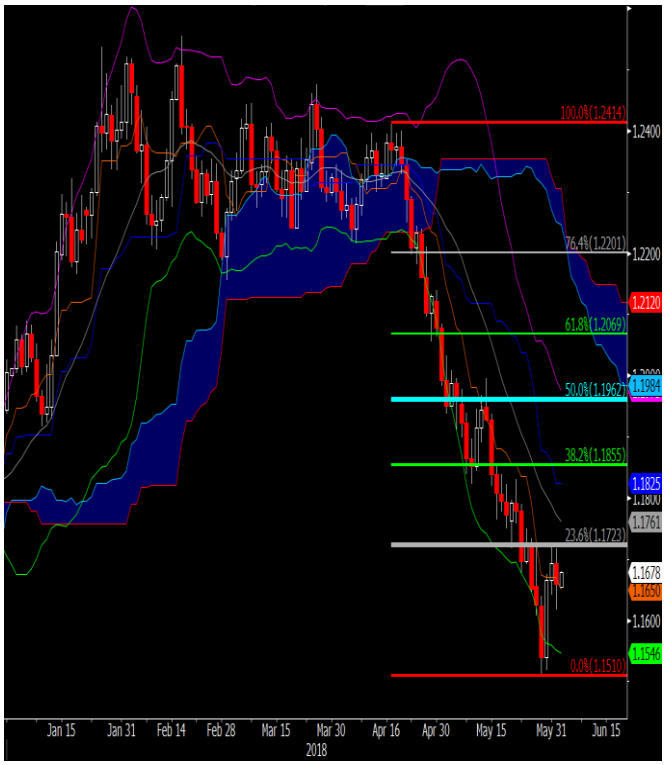
Indicative AUDMYR 3.0223



Source: Bloomberg

- AUDMYR opened 96pips higher at 3.0111. **Daily outlook bullish**, supported by firmer risk appetite.
- **Weekly outlook bullish, monthly outlook neutral**.
- Bullish bias prevails but since upside momentum has not improved, we suspect current uptrend may not last. A reversal lower could take place below 3.0385 – 3.0427.
- **Key resistances:** 3.0250 (R1), 3.0300 (R2), 3.0320 (R3)
- **Key supports:** 3.0213 (S1), 3.0177 (S2), 3.0150 (S3)
- **Expected range for the day:** 3.0110 – 3.0280

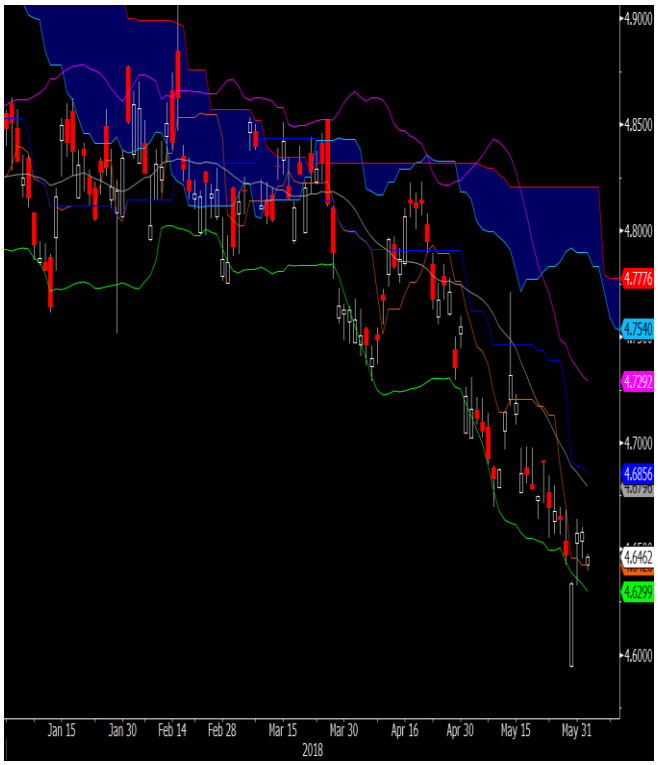
Indicative EURUSD 1.1678



Source: Bloomberg

- EURUSD opened 4pips lower at 1.1655. **Daily outlook bullish**, with USD likely weighed down by trade tensions and as sentiment in Europe recovers after recent political risk events.
- **Weekly and monthly outlook bullish**.
- Upside momentum continues to improve, tilting EURUSD upwards. We continue to set sights on a break at 1.1723 to establish a path towards 1.1855, but another rejection at 1.1723 would trigger a drop to 1.1546.
- **Expect a potential climb to 1.1750**, otherwise curbed by a close below 1.1640.
- **Key resistances:** 1.1697 (R1), 1.1723 (R2), 1.1761 (R3)
- **Key supports:** 1.1650 (S1), 1.1640 (S2), 1.1617 (S3)
- **Expected range for the day:** 1.1650 – 1.1730

Indicative EURMYR 4.6462



Source: Bloomberg

- EURMYR opened 153ips lower at 4.6425. **Daily outlook slightly bearish** on the sharply lower opening though losses may be narrowed as EUR is likely to climb in European session.
- **Weekly outlook bullish, monthly outlook neutral**.
- EURMYR remains dragged by mild downside momentum; beating 4.6550 will improve momentum that could push EURMYR higher to 4.6797.
- **Key resistances:** 4.6472 (R1), 4.6552 (R2), 4.6657 (R3)
- **Key supports:** 4.6426 (S1), 4.6400 (S2), 4.6380 (S3)
- **Expected range for the day:** 4.6400 – 4.6560

** 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.