HongLeong Bank

Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

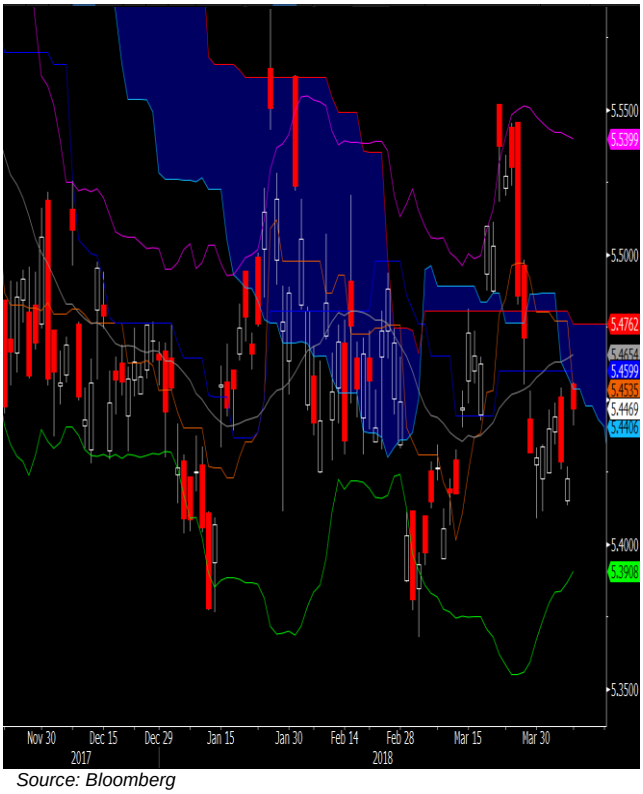
Indicative USDMYR 3.8642



Source: Bloomberg

- USDMYR opened lower today. **Daily outlook bearish** on the back of a weakened USD but losses are likely to be narrowed on prevailing risk aversion in the markets.
- **Weekly and monthly outlook bullish**.
- USDMYR is showing renewed weakness after losing 3.8663 and downside bias is likely to push it lower to circa 3.8560 going forward. A bounce off 3.8533 – 3.8560 is possible.
- **Continue to expect a potential advance to 3.8847**, otherwise curbed by a close below 3.8600.
- **Key resistances:** 3.8663 (R1), 3.8700 (R2), 3.8728 (R3)
- **Key supports:** 3.8615 (S1), 3.8600 (S2), 3.8580 (S3)
- **Expected range for the day:** 3.8615 – 3.8690

Indicative GBPMYR 5.4469

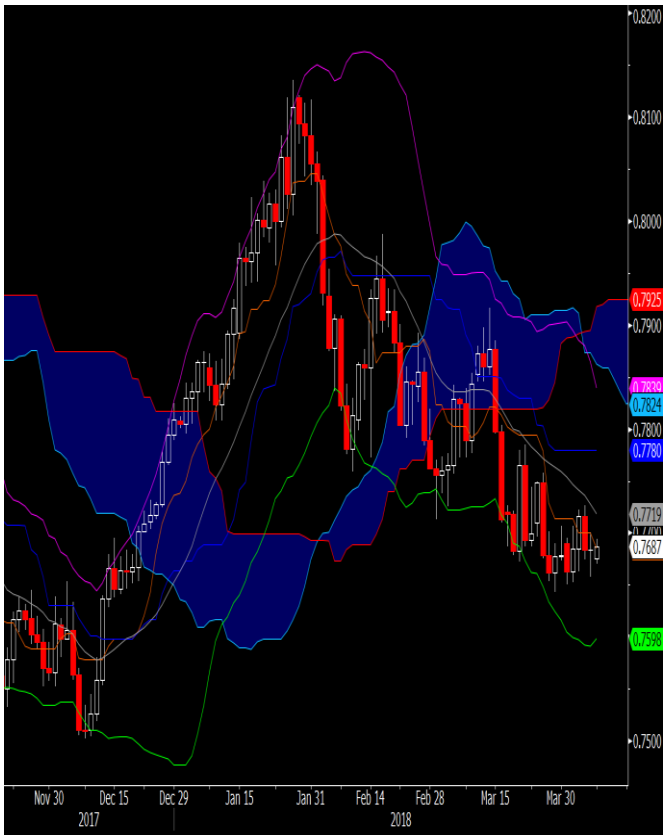


Source: Bloomberg

- GBPMYR opened 326pips higher at 5.4553 today. **Daily outlook bullish**, lifted by the sharply higher opening.
- **Weekly outlook bullish, monthly outlook bearish**.
- A sharp gap up at opening has tilted GBPMYR upward but unless the pair manages to close above 5.4535, we reckon that extended gains are unsustainable.
- **Continue to expect a potential decline to 5.4080**, otherwise curbed by a close above 5.4535.
- **Key resistances**: 5.4500 (R1), 5.4535 (R2), 5.4600 (R3)
- **Key supports**: 5.4404 (S1), 5.4345 (S2), 5.4279 (S3)
- **Expected range for the day:** 5.4400 – 5.4560

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

Indicative AUDUSD 0.7687



Source: Bloomberg

- AUDUSD opened 9pips lower at 0.7675. **Daily outlook bullish**, supported by firmer Australian data though gains may be modest amid prevailing risk-off in the markets.
- **Weekly outlook bullish, monthly outlook bearish**.
- A minor bullish trend prevails; unless AUDUSD closes below 0.7685 today, there is room for a rally to above 0.7716 soon.
- **Continue to expect a potential decline to 0.7617**, otherwise curbed by a close above 0.7718.
- **Key resistances:** 0.7700 (R1), 0.7718 (R2), 0.7757 (R3)
- **Key supports:** 0.7658 (S1), 0.7643 (S2), 0.7620 (S3)
- **Expected range for the day:** 0.7660 – 0.7710

Indicative AUDMYR 2.9697

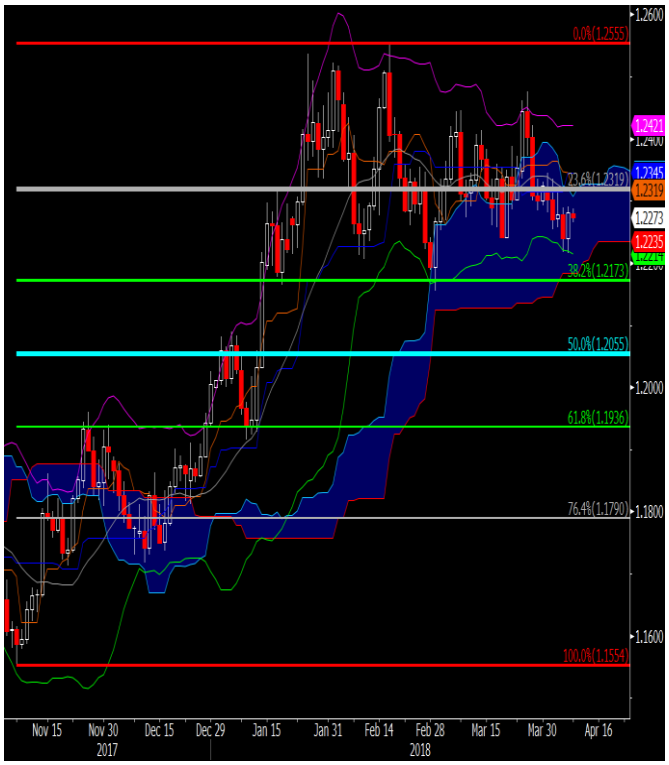


Source: Bloomberg

- AUDMYR opened 30pips lower at 2.9728. **Daily outlook slightly bullish** with AUD supported by firmer Australian data.
- **Weekly and monthly outlook bullish**.
- AUDMYR continues to attempt a rebound but being deep in bearish territory is holding back gains. Gains could test 2.9900 but unless upside bias improves, AUDMYR remains prone to a return to bearishness.
- **Continue to expect a potential to decline to 2.9450**, otherwise curbed by a close above 2.9795.
- **Key resistances:** 2.9713 (R1), 2.9787 (R2), 2.9800 (R3)
- **Key supports:** 2.9700 (S1), 2.9654 (S2), 2.9604 (S3)
- **Expected range for the day:** 2.9650 – 2.9770

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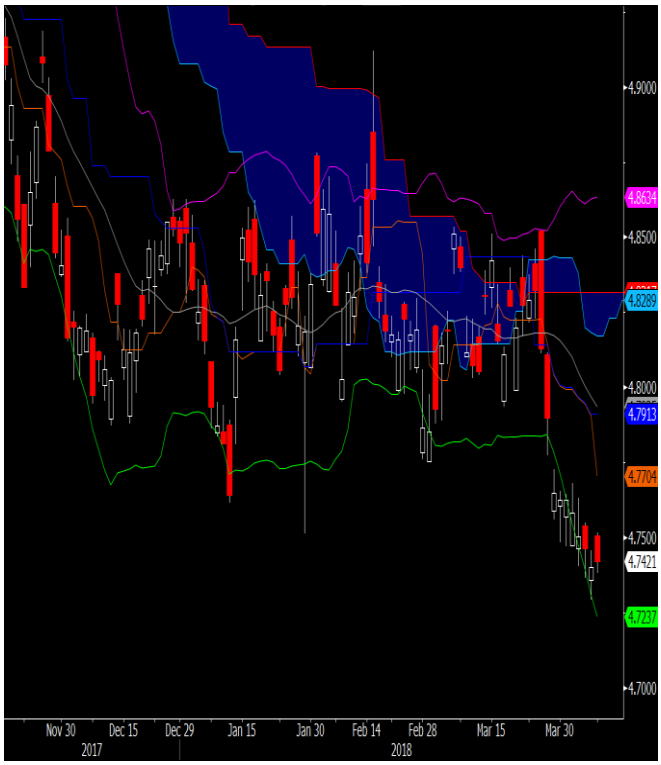
Indicative EURUSD 1.2273



Source: Bloomberg

- EURUSD opened barely changed at 1.2279. **Daily outlook slightly bearish** on extended risk-off in the markets.
- **Weekly and monthly outlook bearish**.
- EURUSD remains in a minor bearish trend that dictates a couple more days of losses. But downsides appear to be abating and this potentially sets up a rebound going forward.
- **Key resistances:** 1.2300 (R1), 1.2319 (R2), 1.2345 (R3)
- **Key supports:** 1.2254 (S1), 1.2213 (S2), 1.2200 (S3)
- **Expected range for the day:** 1.2250 – 1.2300

Indicative EURMYR 4.7421



Source: Bloomberg

- EURMYR opened 108pips higher at 4.7508. **Daily outlook slightly bullish**, lifted by the sharply higher opening.
- **Weekly and monthly outlook bullish**.
- EURMYR appears to be attempting a rebound but given that it remains deep in bearish territory, we reckon that rebound may be shallow and perhaps limited to below 4.7783.
- **Key resistances:** 4.7458 (R1), 4.7500 (R2), 4.7518 (R3)
- **Key supports:** 4.7400 (S1), 4.7381 (S2), 4.7350 (S3)
- **Expected range for the day:** 4.7380 – 4.7520

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