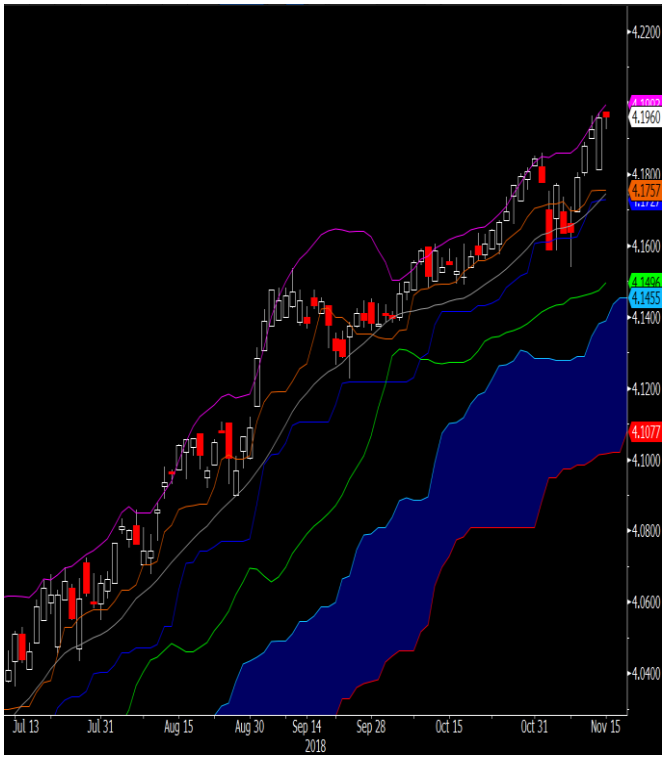
HongLeong Bank

Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

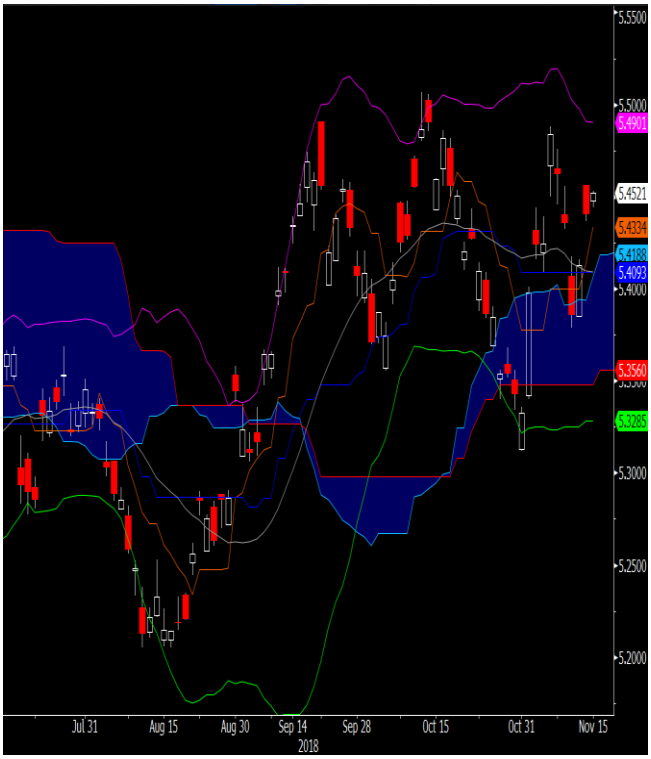
Indicative USDMYR 4.1960



Source: Bloomberg

- USDMYR opened higher today. **Daily outlook neutral**; despite a softer overnight USD and firmer market sentiment, we reckon that buying interest in MYR is likely weighed down ahead of Malaysia 3Q GDP report tomorrow.
- **Weekly and monthly outlook bullish**.
- Price-momentum divergence continues to prevail and hints at another reversal lower going forward. In the meantime, bullish trend lingers and could still put 4.1990 – 4.2020 under threat.
- **Key resistances:** 4.1940 (R1), 4.1960 (R2), 4.1980 (R3)
- **Key supports:** 4.1900 (S1), 4.1880 (S2), 4.1850 (S3)
- **Expected range for the day:** 4.1900 – 4.2000

Indicative GBPMYR 5.4521

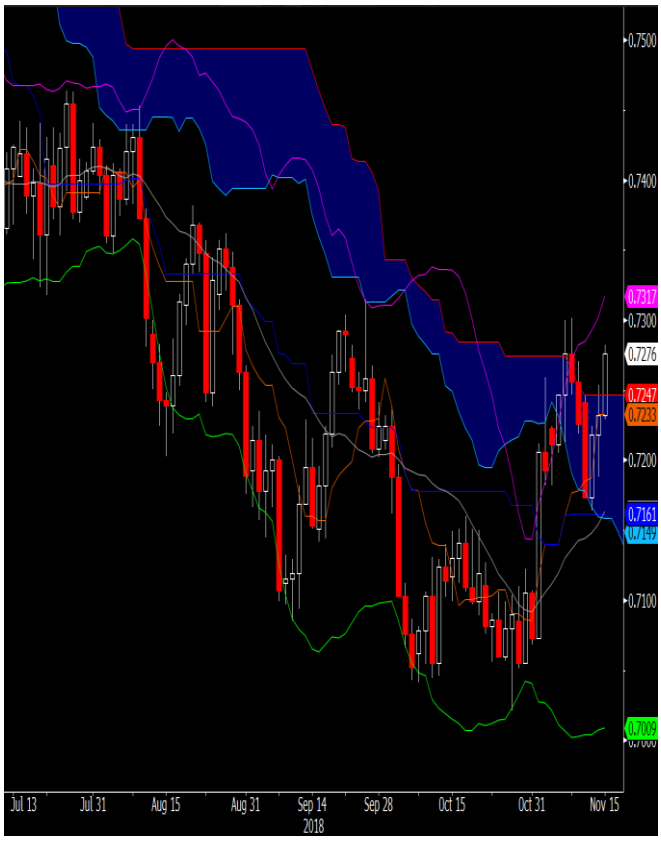


Source: Bloomberg

- GBPMYR opened 79pips higher at 5.4480 today. **Daily outlook slightly bullish** on likelihood of further GBP advances on improved Brexit optimism.
- **Weekly and monthly outlook bullish**.
- The recent bearish trend has been overturned and GBPMYR is now tilted to the upside, with room to advance to 5.4820 – 5.4900 in the next leg higher.
- **GBPMYR is now unlikely to drop to 5.4101**.
- **Key resistances**: 5.4565 (R1), 5.4602 (R2), 5.4654 (R3)
- **Key supports**: 5.4498 (S1), 5.4441 (S2), 5.4392 (S3)
- **Expected range for the day:** 5.4400 – 5.4650

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

Indicative AUDUSD 0.7276

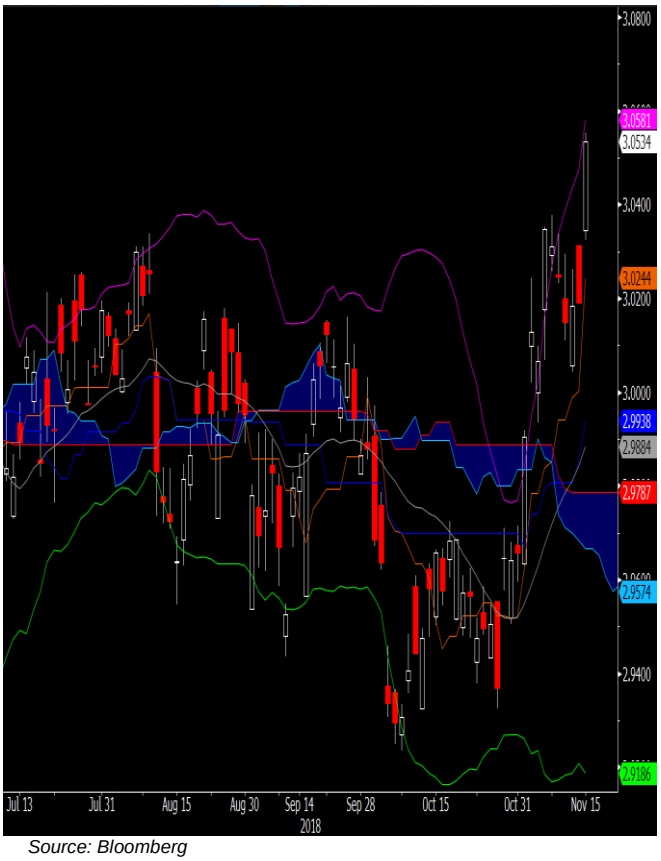


Source: Bloomberg

- AUDUSD opened unchanged at 0.7232 today. **Daily outlook bullish**, boosted by better than expected Australian data.
- **Weekly outlook bearish, monthly outlook bullish**.
- The recent bearish trend has been overturned, while AUDUSD breaking above 0.7247 is to us a bullish signal. Expect further gains going forward that could potentially test 0.7315.
- **Expect a potential advance to 0.7315**, otherwise curbed by a close below 0.7254.
- **Key resistances:** 0.7300 (R1), 0.7315 (R2), 0.7330 (R3)
- **Key supports:** 0.7271 (S1), 0.7254 (S2), 0.7247 (S3)
- **Expected range for the day:** 0.7225 – 0.7300

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

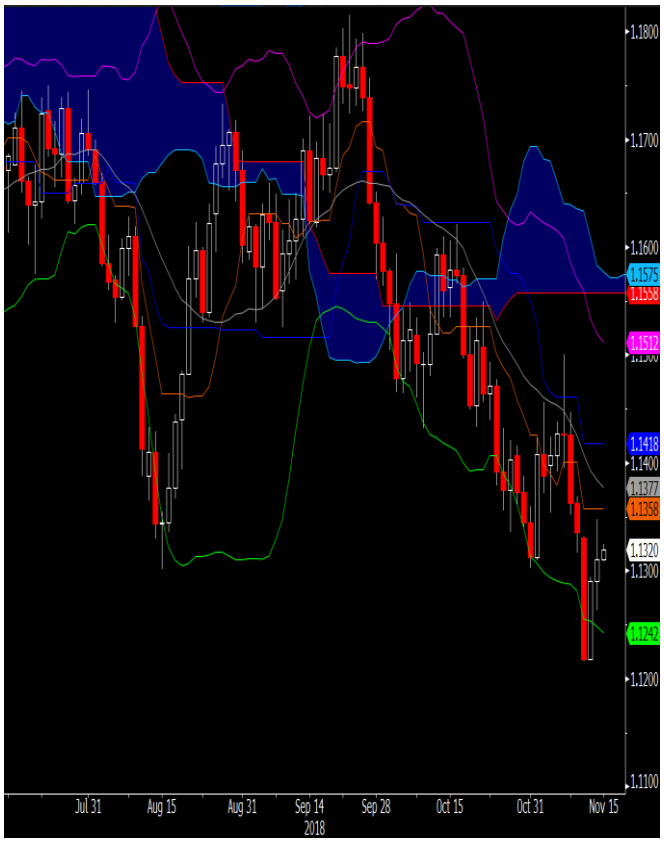
Indicative AUDMYR 3.0534



Source: Bloomberg

- AUDMYR opened 154pips higher at 3.0346 today. **Daily outlook bullish** following the higher opening and improved Australian data that supports AUD.
- **Weekly and monthly outlook bullish**.
- Despite a higher opening today, we continue to caution that AUDMYR appears overstretched and toppish. We maintain that AUDMYR is at risk of sliding lower going forward, more so if it continues to shy away from upper Bollinger.
- **Key resistances:** 3.0553 (R1), 3.0580 (R2), 3.0600 (R3)
- **Key supports:** 3.0500 (S1), 3.0480 (S2), 3.0450 (S3)
- **Expected range for the day:** 3.0325 – 3.0580

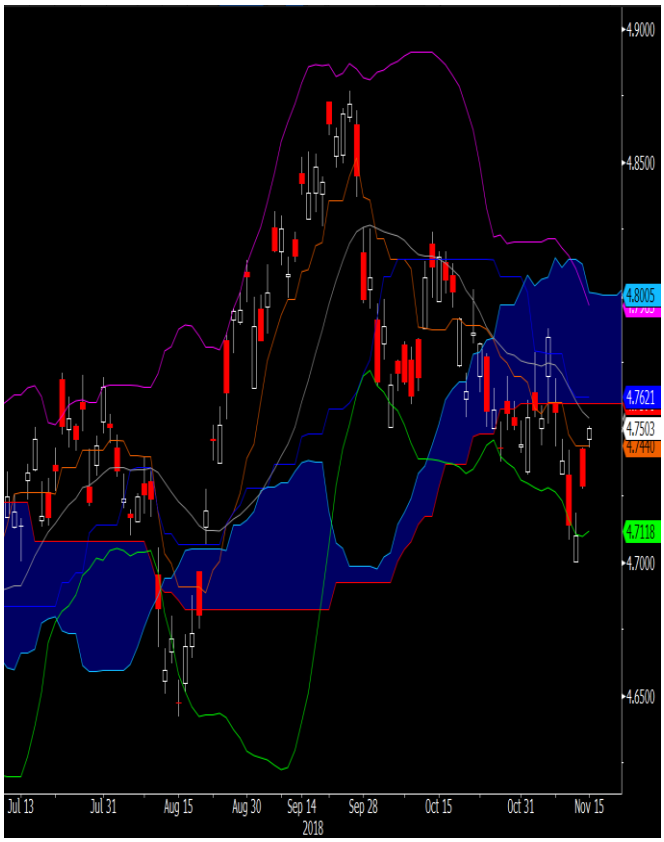
Indicative EURUSD 1.1320



Source: Bloomberg

- EURUSD opened unchanged at 1.1310 today. **Daily outlook slightly bullish** on the back of a soft USD, while recent lack of response to Italy-EU budget contention may support further advances.
- **Weekly outlook bearish, monthly outlook bullish**.
- Unless it falls below 1.1218 today, EURUSD is likely en route to overturn its current bearish trend. Direction going forward is likely inclined to the upside, with scope to challenge 1.1358.
- **Key resistances:** 1.1332 (R1), 1.1350 (R2), 1.1367 (R3)
- **Key supports:** 1.1309 (S1), 1.1300 (S2), 1.1285 (S3)
- **Expected range for the day:** 1.1300 – 1.1350

Indicative EURMYR 4.7503



Source: Bloomberg

- EURMYR opened 176pips higher at 4.7464 today. **Daily outlook bullish**, lifted by the sharply higher opening and potential for further EUR upsides.
- **Weekly and monthly outlook bullish**.
- The recent bearish bias has been overturned; EURMYR is now inclined to the upside, with scope to tests 4.7540 and 4.7596, above which it could challenge 4.7751 going forward.
- **EURMYR is now unlikely to decline to 4.6880**. Expect a potential advance to 4.7621, otherwise curbed by a close below 4.7440.
- **Key resistances:** 4.7540 (R1), 4.7596 (R2), 4.7621 (R3)
- **Key supports:** 4.7461 (S1), 4.7440 (S2), 4.7424 (S3)
- **Expected range for the day:** 4.7400 – 4.7600

** 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.