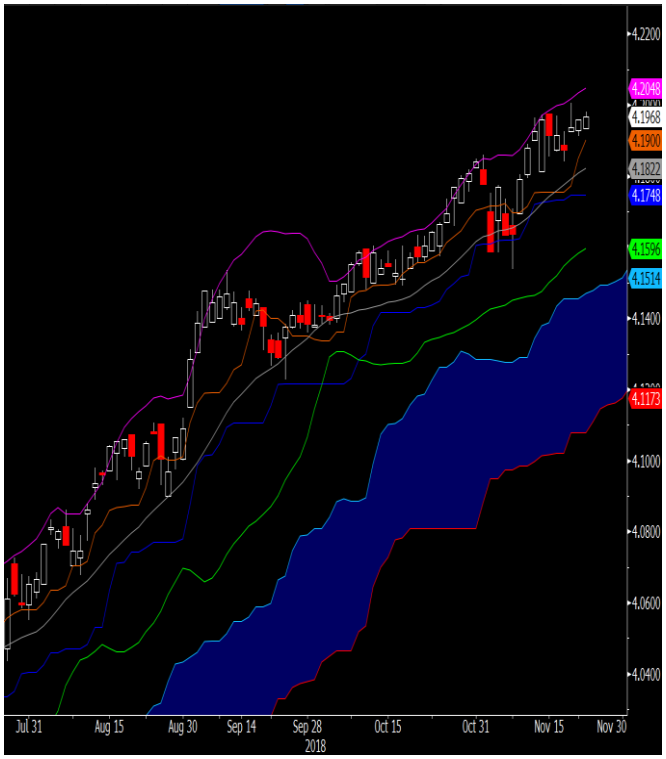
HongLeong Bank

Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

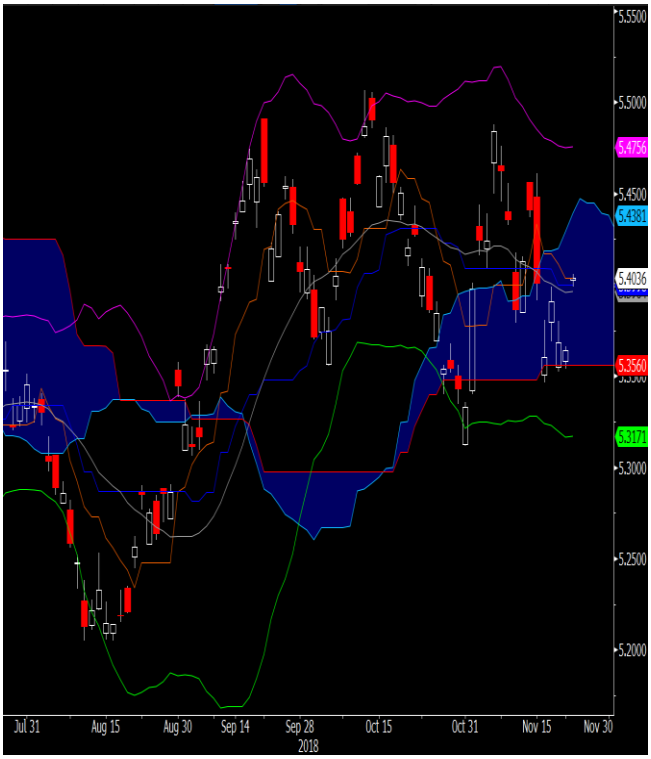
Indicative USDMYR 4.1968



Source: Bloomberg

- USDMYR opened lower today. **Daily outlook neutral** with room for mild gains as regional markets are likely to turn more risk averse heading into the week's close.
- **Weekly and monthly outlook bullish**.
- Technical viewpoint suggests USDMYR is biased to the upside, but given a subdued momentum and a emergence of a bearish divergence, we suspect a reversal may be near. A drop below 4.1915 will alter the technical landscape to a bearish tone, targeting 4.1850.
- **Key resistances:** 4.1980 (R1), 4.2000 (R2), 4.2020 (R3)
- **Key supports:** 4.1950 (S1), 4.1935 (S2), 4.1915 (S3)
- **Expected range for the day:** 4.1935 – 4.2000

Indicative GBPMYR 5.4036

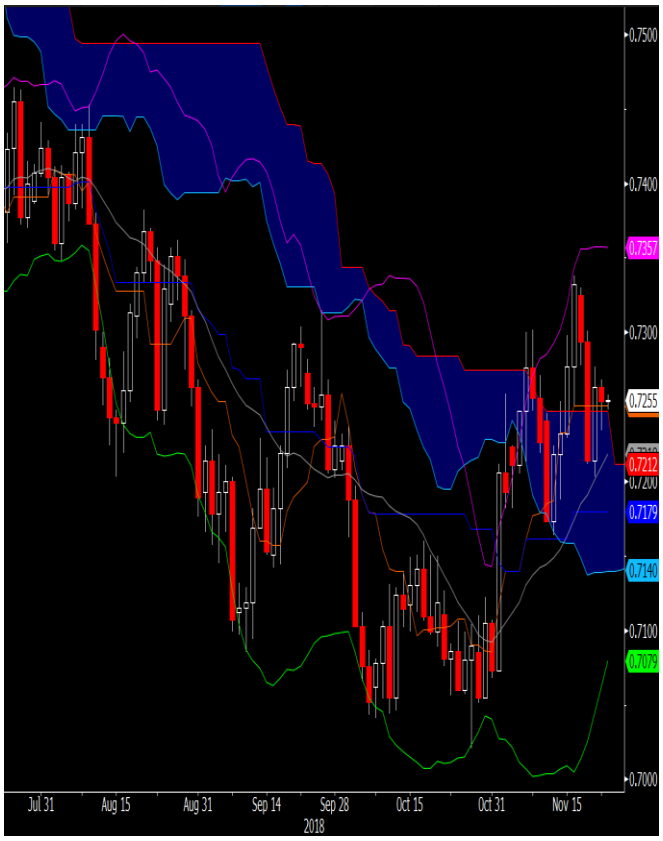


Source: Bloomberg

- GBPMYR opened 385pips higher at 5.4028 today. **Daily outlook bullish**, lifted by the sharply higher opening and potential for further GBP gains amid improved Brexit sentiment.
- **Weekly and monthly outlook bullish**.
- Fundamental intervention has overturned GBPMYR's bearish trend. It is now mildly bullish, with scope to test 5.4105 next. Above this, 5.4360 will likely be challenged.
- **GBPMYR is now unlikely to decline to 5.3240**.
- **Key resistances**: 5.4105 (R1), 5.4157 (R2), 5.4177 (R3)
- **Key supports**: 5.3998 (S1), 5.3964 (S2), 5.3912 (S3)
- **Expected range for the day:** 5.3960 – 5.4085

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

Indicative AUDUSD 0.7255

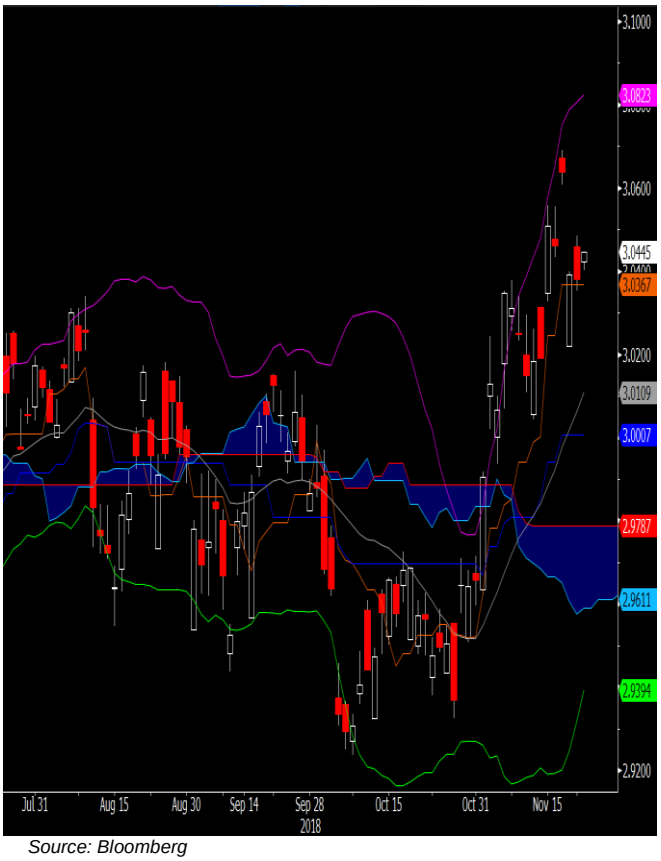


Source: Bloomberg

- AUDUSD opened unchanged at 0.7254 today. **Daily outlook slightly bearish** as we expect extended weakness in equities and commodities.
- **Weekly outlook bearish, monthly outlook bullish**.
- Bearish trend continues to prevail in AUDUSD and suggests a drop below 0.7214 soon. A rally, if any, must beat 0.7294 today to overturn this bearish scenario.
- **Continue to expect a drop to 0.7168**, otherwise curbed by a close above 0.7277.
- **Key resistances:** 0.7277 (R1), 0.7287 (R2), 0.7300 (R3)
- **Key supports:** 0.7247 (S1), 0.7229 (S2), 0.7215 (S3)
- **Expected range for the day:** 0.7220 – 0.7270

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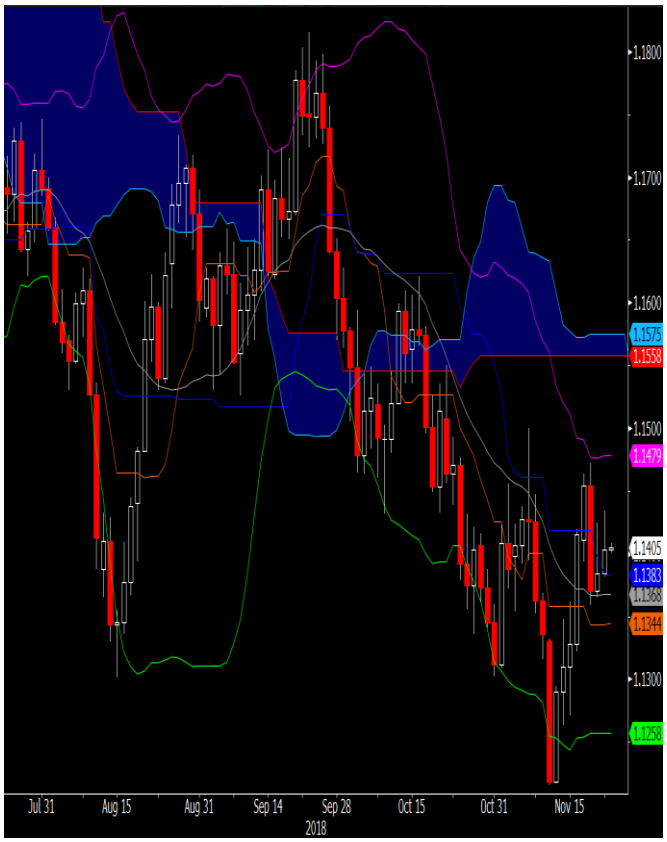
Indicative AUDMYR 3.0445



Source: Bloomberg

- AUDMYR opened 41pips higher at 3.0423 today. **Daily outlook neutral** in anticipation of a soft AUD.
- **Weekly outlook bearish, monthly outlook bullish**.
- We maintain that AUDMYR is likely going through a reversal lower. Unless AUDMYR closes above 3.0462 today and proceed to beat 3.0637 on Monday, bearish bias will firm up and likely set a course for 3.0000.
- **Continue to expect a potential decline to 3.0000**, otherwise curbed by a close above 3.0507.
- **Key resistances:** 3.0464 (R1), 3.0507 (R2), 3.0557 (R3)
- **Key supports:** 3.0400 (S1), 3.0367 (S2), 3.0331 (S3)
- **Expected range for the day:** 3.0370– 3.0465

Indicative EURUSD 1.1405

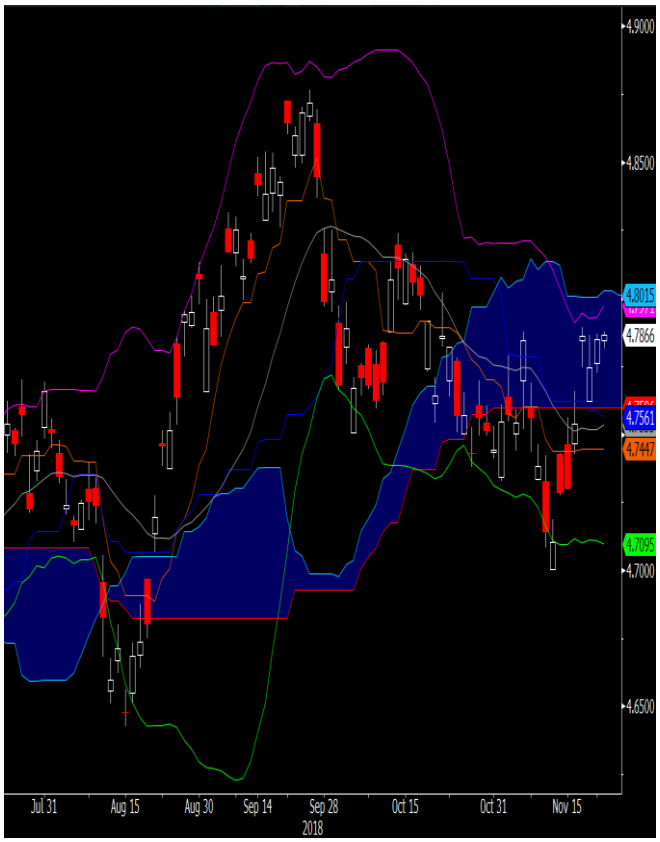


Source: Bloomberg

- EURUSD opened unchanged at 1.1403 today. **Daily outlook slightly bullish** in anticipation of USD staying soft, further buoyed by improved sentiment in European FX space.
- **Weekly and monthly outlook bullish**.
- Upward momentum continues to improve and EURUSD beating 1.1404 are signs of increased bullish bias. Expect EURUSD to soon test 1.1423, above which 1.1479 will be eyed.
- **Key resistances:** 1.1423 (R1), 1.1447 (R2), 1.1479 (R3)
- **Key supports:** 1.1400 (S1), 1.1388 (S2), 1.1368 (S3)
- **Expected range for the day:** 1.1390 – 1.1425

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

Indicative EURMYR 4.7866



Source: Bloomberg

- EURMYR opened 5pips lower at 4.7845 today. **Daily outlook slightly bullish** in anticipation of a firmer EUR going into European session.
- **Weekly and monthly outlook bullish**.
- Bullish trend still prevails, supporting further gains going forward. There is room for a climb to 4.7910, above which 4.8005 will be challenged.
- **Continue to expect a potential advance to 4.7910**.
- **Key resistances:** 4.7892 (R1), 4.7910 (R2), 4.7955 (R3)
- **Key supports:** 4.7816 (S1), 4.7789 (S2), 4.7753 (S3)
- **Expected range for the day:** 4.7800 – 4.7910

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