Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

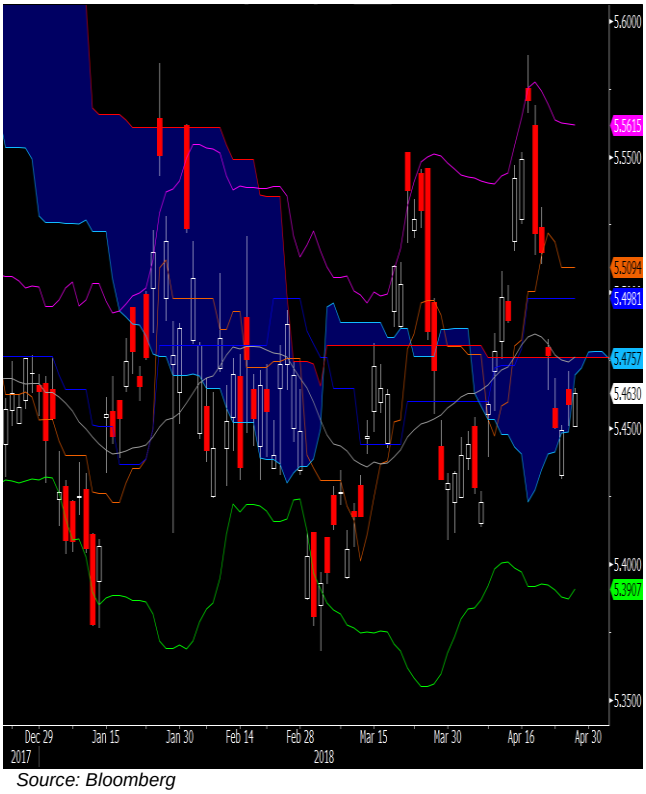
Indicative USDMYR 3.9185



Source: Bloomberg

- USDMYR opened slightly higher today. **Daily outlook slightly bullish**, supported by a stronger overnight USD.
- **Weekly and monthly outlook bullish**.
- Upside bias continues to strength in USDMYR. After firmly breaking above 3.9120, USDMYR is now exposed to test 3.9255. Risk of rejection is likely getting stronger approaching the 3.9255 – 3.9290 range. A break here pushes USDMYR higher to 3.9430.
- **USDMYR expectedly advanced to 3.9183**.
- **Key resistances:** 3.9200 (R1), 3.9255 (R2), 3.9272 (R3)
- **Key supports:** 3.9159 (S1), 3.9111 (S2), 3.9085 (S3)
- **Expected range for the day:** 3.9120 – 3.9230

Indicative GBPMYR 5.4630

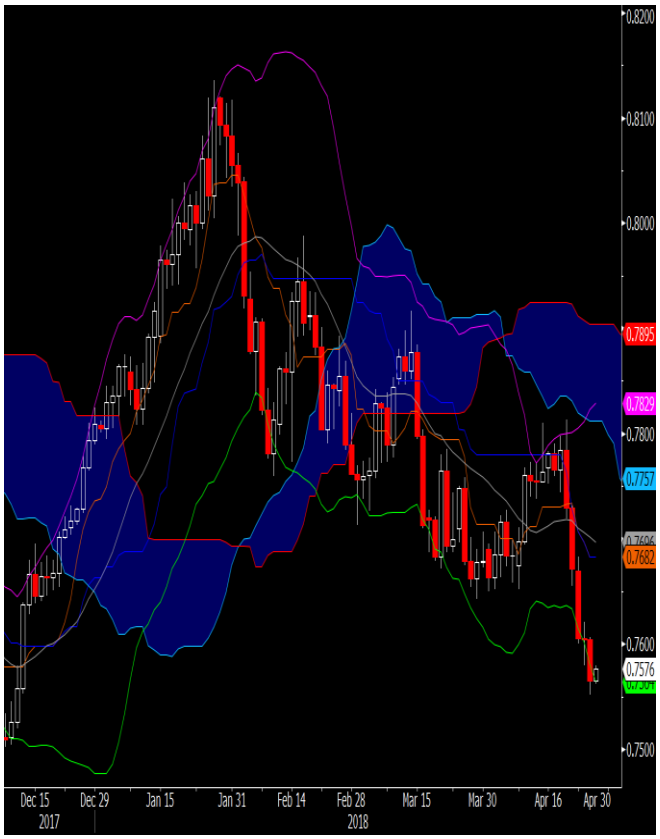


Source: Bloomberg

- GBPMYR opened 82pips lower at 5.4509 today. **Daily outlook slightly bullish**, in anticipation of a rebound in GBP.
- **Weekly and monthly outlook bearish**.
- Downside bias continues to take hold and weigh down GBPMYR, thereby limiting the scope of rebound. Expect further losses going forward, with scope to test 5.3947.
- **Continue to expect a potential decline to 5.4088**, otherwise curbed by a close above 5.4764.
- **Key resistances**: 5.4650 (R1), 5.4695 (R2), 5.4764 (R3)
- **Key supports**: 5.4562 (S1), 5.4511 (S2), 5.4500 (S3)
- **Expected range for the day:** 5.4500 – 5.4700

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

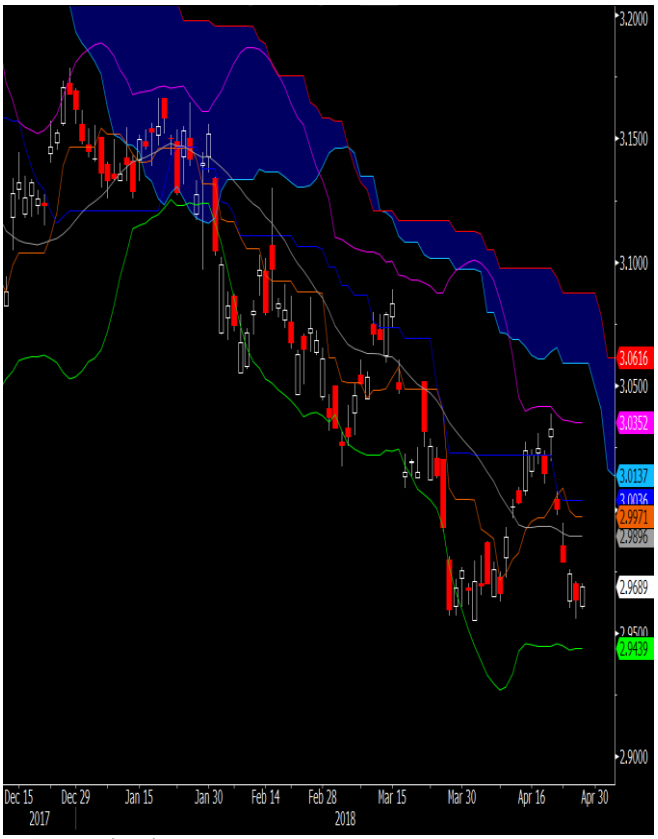
Indicative AUDUSD 0.7576



Source: Bloomberg

- AUDUSD opened unchanged at 0.7565. **Daily outlook slightly bullish**, as we anticipate firmer risk appetite towards US closing yesterday to spill into today's sentiment, supporting AUD.
- **Weekly and monthly outlook bearish**.
- AUDUSD remains prone to further losses but given that it has failed to breach 0.7550 yesterday, we caution that AUDUSD may be heading for a modest rebound. Another failure today will strengthen the chances of a rebound.
- **Continue to expect a potential decline to 0.7550**.
- **Key resistances:** 0.7580 (R1), 0.7600 (R2), 0.7630 (R3)
- **Key supports:** 0.7564 (S1), 0.7550 (S2), 0.7520 (S3)
- **Expected range for the day:** 0.7550 – 0.7600

Indicative AUDMYR 2.9689

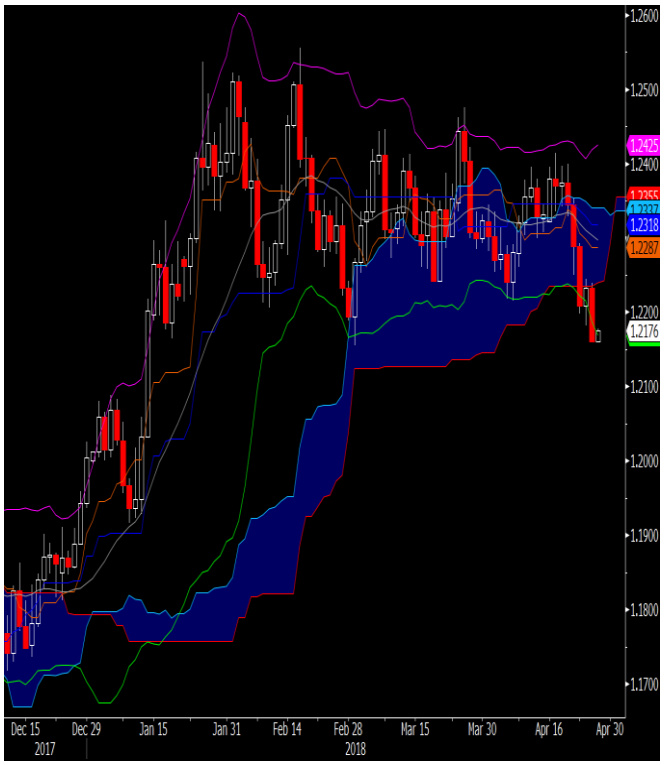


Source: Bloomberg

- AUDMYR opened 28pips lower at 2.9608. **Daily outlook slightly bullish**, supported by potential rebound in AUD amid firmer risk appetite.
- **Weekly and monthly outlook bearish**.
- AUDMYR's attempt at rebound will likely fail circa 2.9896 before resuming current downtrend. Downside bias continues to prevail, tilting AUDMYR lower, potentially pushing AUDMYR to 2.9426 in the next leg lower.
- **Continue to expect a potential decline to 2.9430**, otherwise curbed by a close above 2.9788.
- **Key resistances:** 2.9725 (R1), 2.9756 (R2), 2.9788 (R3)
- **Key supports:** 2.9668 (S1), 2.9636 (S2), 2.9600 (S3)
- **Expected range for the day:** 2.9570 – 2.9750

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

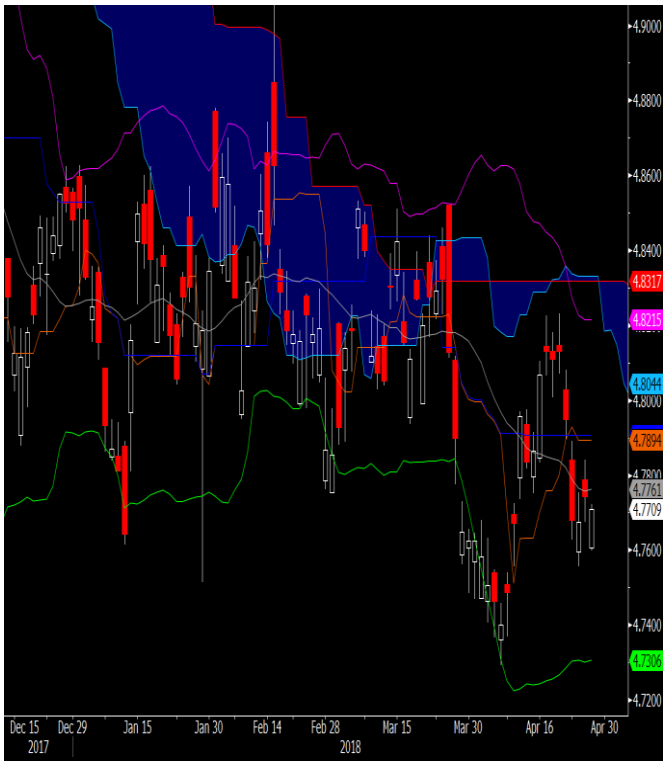
Indicative EURUSD 1.2176



Source: Bloomberg

- EURUSD opened unchanged at 1.2161. **Daily outlook slightly bullish** as buying interest in EUR is likely to return after risk event of ECB policy decision. But caution that a more dovish tone from ECB President Draghi will trigger sharp losses.
- **Weekly and monthly outlook bearish**.
- EURUSD remains technically bearish but we suspect a rebound may come first before extending further downsides. Gains are likely restricted by 1.2239, otherwise the rebound will sustain further upsides.
- **Continue to expect a potential decline to 1.2125**, otherwise curbed by a close above 1.2239.
- **Key resistances:** 1.2182 (R1), 1.2200 (R2), 1.2239 (R3)
- **Key supports:** 1.2150 (S1), 1.2120 (S2), 1.2100 (S3)
- **Expected range for the day:** 1.2120 – 1.2220

Indicative EURMYR 4.7709



Source: Bloomberg

- EURMYR opened 137pips higher at 4.7607. **Daily outlook slightly bearish**, weighed down by the risk aversion in EUR ahead of ECB policy decision announcement.
- **Weekly and monthly outlook bearish**.
- A mild downside bias has emerged, tilting EURMYR lower. We set sights on continued declines going forward.
- **Continue to expect a potential decline to 4.7556**, otherwise curbed by a close above 4.7832.
- **Key resistances:** 4.7726 (R1), 4.7760 (R2), 4.7832 (R3)
- **Key supports:** 4.7675 (S1), 4.7628 (S2), 4.7600 (S3)
- **Expected range for the day:** 4.7600 – 4.7760

** 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, Menara Hong Leong
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.