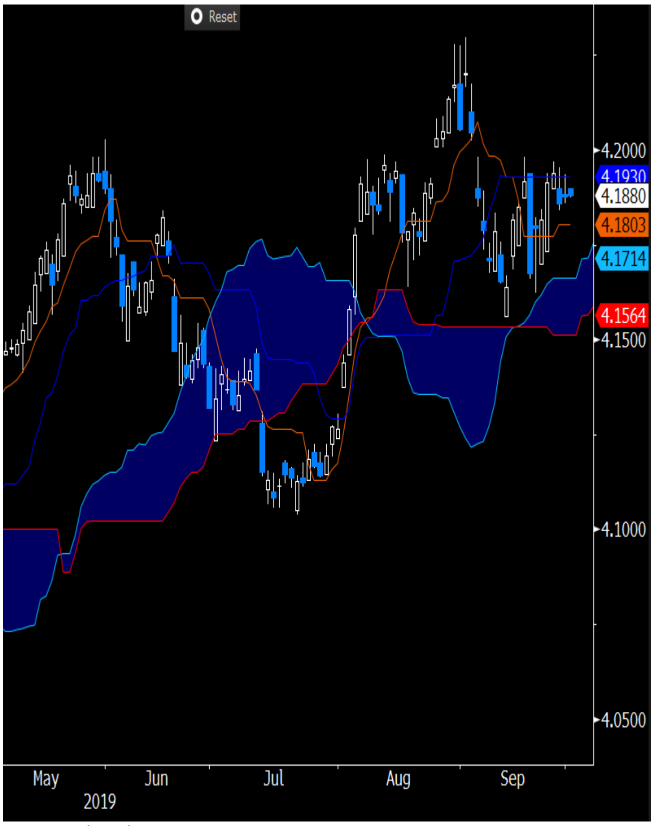
Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

Indicative USDMYR 4.1880

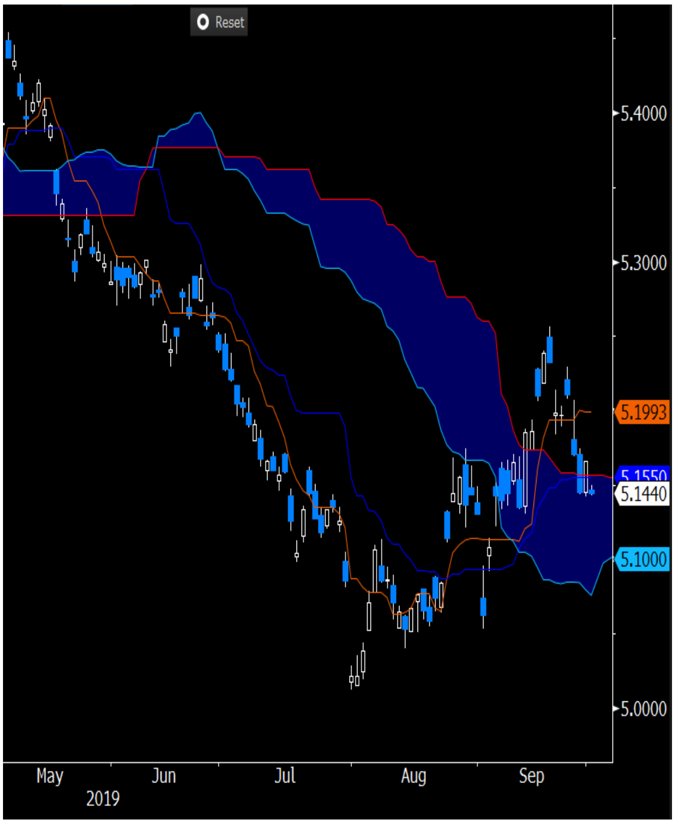


Source: Bloomberg

- USDMYR opened 0.05% higher at 4.1900. **Daily outlook neutral to slightly bullish**
- **Weekly outlook bullish and monthly outlook neutral.**
- **We are bearish on MYR** as dollar strength is expected to persist in the short term, taking advantage of general uncertainties. In the medium term, we are neutral to slightly bearish on MYR taking into account unresolved US-China trade dispute and ECB's impending APP program as well as the next major Budget event on 11-October.
- **Key resistances:** 4.1900 (S1), 4.1950 (S2), 4.2000 (S3)
- **Key supports:** 4.1850 (R1), 4.1800 (R2), 4.1750 (R3)
- **Expected range for the day:** 4.1700- 4.1900

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

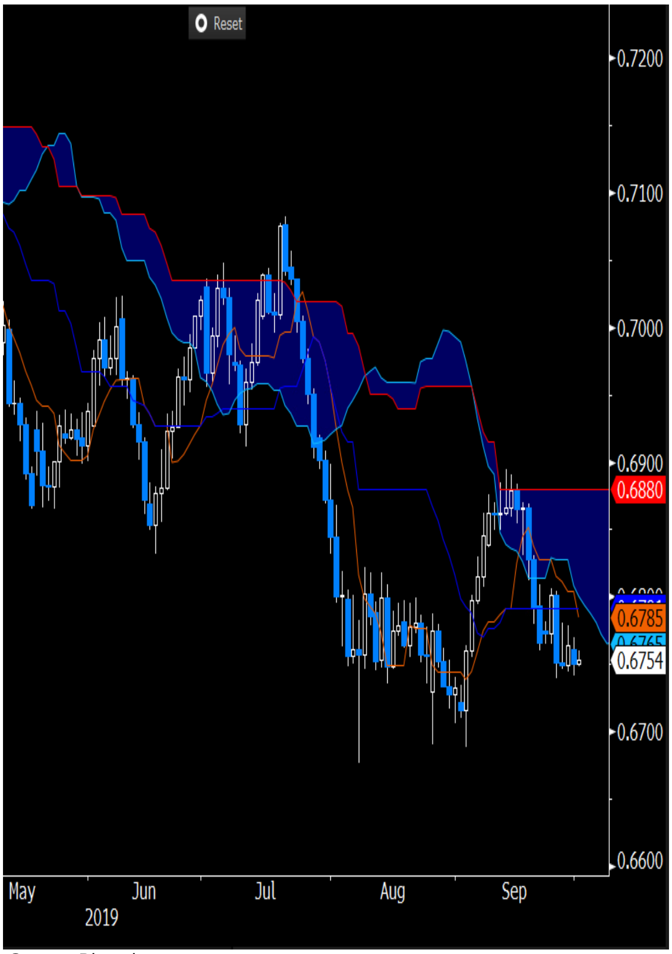
Indicative GBPMYR 5.1440



Source: Bloomberg

- GBPMYR opened 0.37% lower at 5.1466 today. **Daily outlook bearish.**
- **Weekly and monthly outlook bearish**.
- **We are bearish on the currency pair** given our bearish outlook on the sterling as it **continues to be subject to volatility** due to its sensitivity to endless Brexit headlines. **The medium-term outlook remains bearish,** entirely determined by Brexit development leading up to the 31-October deadline.
- **Key resistances**: 5.1550 (R1), 5.1745 (R2), 5.1880 (R3)
- **Key supports**: 5.1340 (S1), 5.1210 (S2), 5.1150 (S3)
- **Expected range for the day:** 5.1300- 5.1700

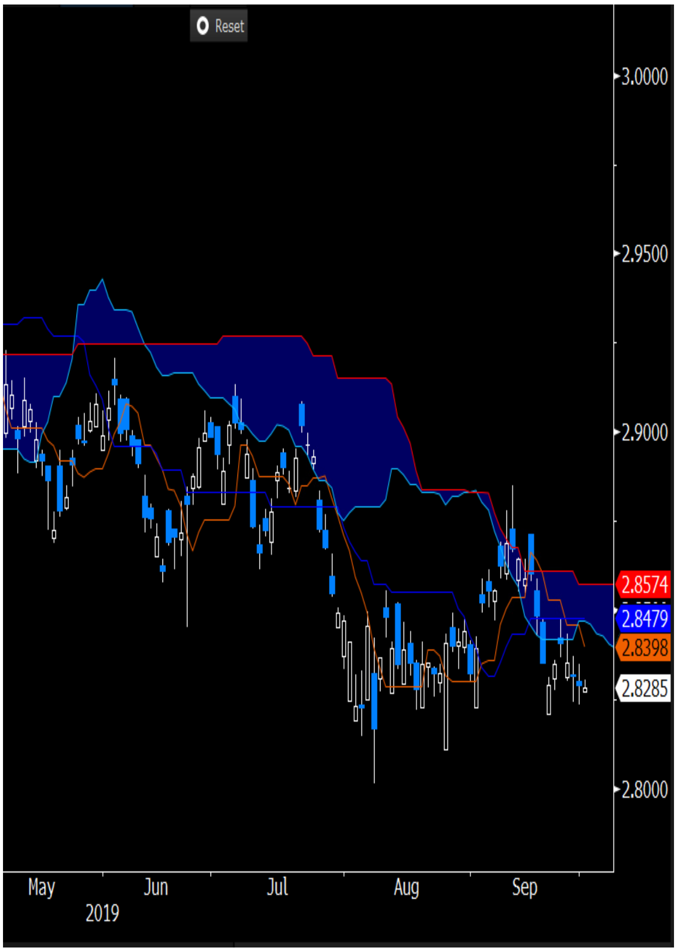
Indicative AUDUSD 0.6754



Source: Bloomberg

- AUDUSD opened unchanged at 0.6750 today. **Daily outlook neutral.**
- **Weekly and monthly outlook bearish.**
- **We are neutral on AUD** as investors are expected to stay sidelined ahead of today's crucial RBA cash rate decision due 12.30pm Malaysian time. Markets are positioning for a 25bps cut from 1.0% to 0.75%. **In the medium term, we remain bearish on AUD** on prolonged US-China trade tension and the weakening Chinese economy continued to pose downside risk to AUD.
- **Key resistances:** 0.6770 (R1), 0.6800 (R2), 0.6830 (R3)
- **Key supports:** 0.6740 (S1), 0.6730 (S2), 0.6720 (S3)
- **Expected range for the day:** 0.6730- 0.6780

Indicative AUDMYR 2.8285



Source: Bloomberg

- AUDMYR opened slightly lower at 2.8270 today. **Daily outlook neutral.**
- **Weekly and monthly outlook bearish.**
- **We are neutral on AUDMYR** today ahead of today's RBA cash rate decision. **Over the medium term, we maintain a bearish outlook on AUDMYR** on prolonged trade tension and weaker Chinese growth posing downside risk to AUD.
- **Key resistances:** 2.8300 (R1), 2.8340 (R2), 2.8380 (R3)
- **Key supports:** 2.8250 (S1), 2.8200 (S2), 2.8150 (S3)
- **Expected range for the day:** 2.8200 – 2.8340

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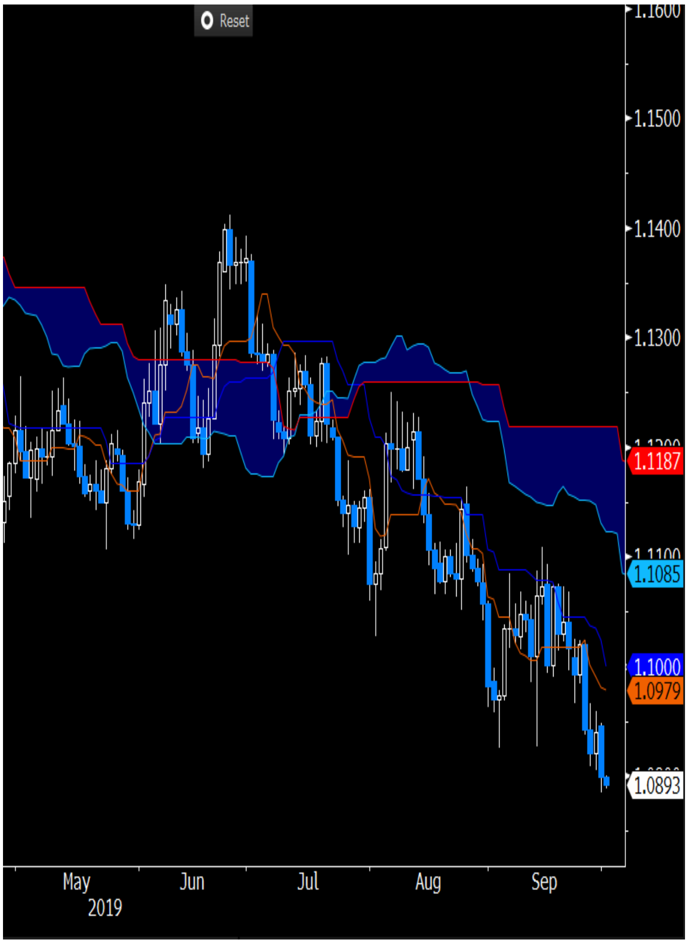
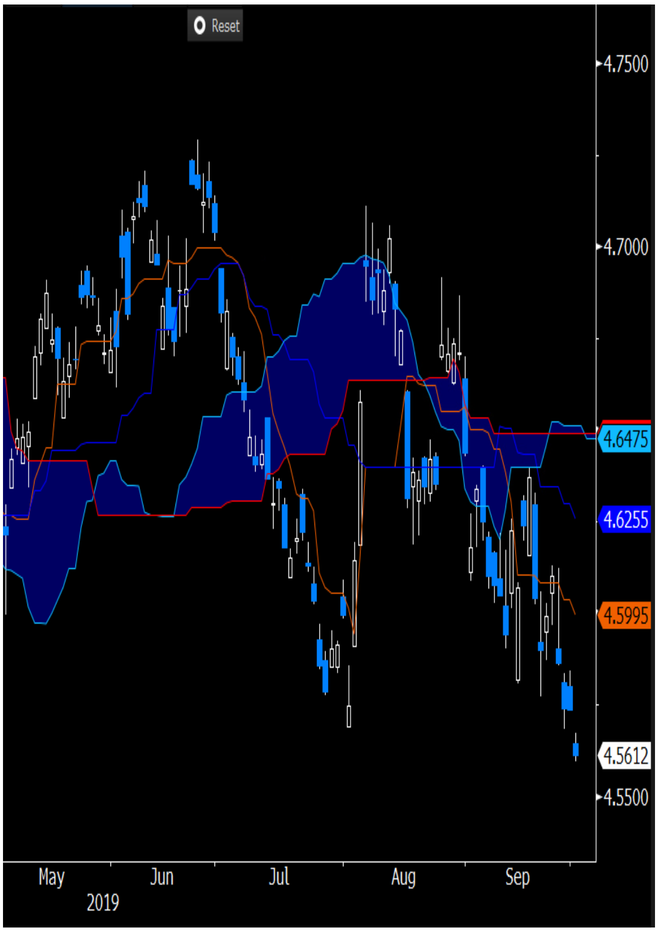
Indicative EURUSD 1.0893



Source: Bloomberg

- EURUSD opened unchanged at 1.0899 today. **Daily outlook bearish.**
- **Weekly and monthly outlook bearish.**
- **We are bearish on EUR in the short term** as it breached below 1.09 to its lowest level since May-17 and struggles to make a comeback, pressured by downbeat sentiment surrounding Euro area outlook especially that of Germany. September HICP inflation due today is the key number to watch out for. **EUR's medium-term outlook** is tied to ongoing worries over the Eurozone's dismal economic state, and **is expected to weaken in the medium term** as the ECB restarts its APP program in November.
- **Key resistances:** 1.0900 (R1), 1.0920 (R2), 1.0950 (R3)
- **Key supports:** 1.0890 (S1), 1.0880 (S2), 1.0870 (S3)
- **Expected range for the day:** 1.0870-1.0920

Indicative EURMYR 4.5612



Source: Bloomberg

- EURMYR opened 0.2% lower at 4.5642 today. **Daily outlook bearish.**
- **Weekly and monthly outlook bearish.**
- **We are bearish on EURMYR today** as the single currency is expected to remain under pressure amidst withering sentiment over the euro area growth outlook. **We remain bearish on the pair in the medium term** as EUR is expected to weaken across the board once the ECB restarts its APP program in November.
- **Key resistances:** 4.5680 (R1) 4.5720 (R1), 4.5790 (R3)
- **Key supports:** 4.5600 (S1), 4.5580 (S2), 4.5550 (S3)
- **Expected range for the day:** 4.5500– 4.5700

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