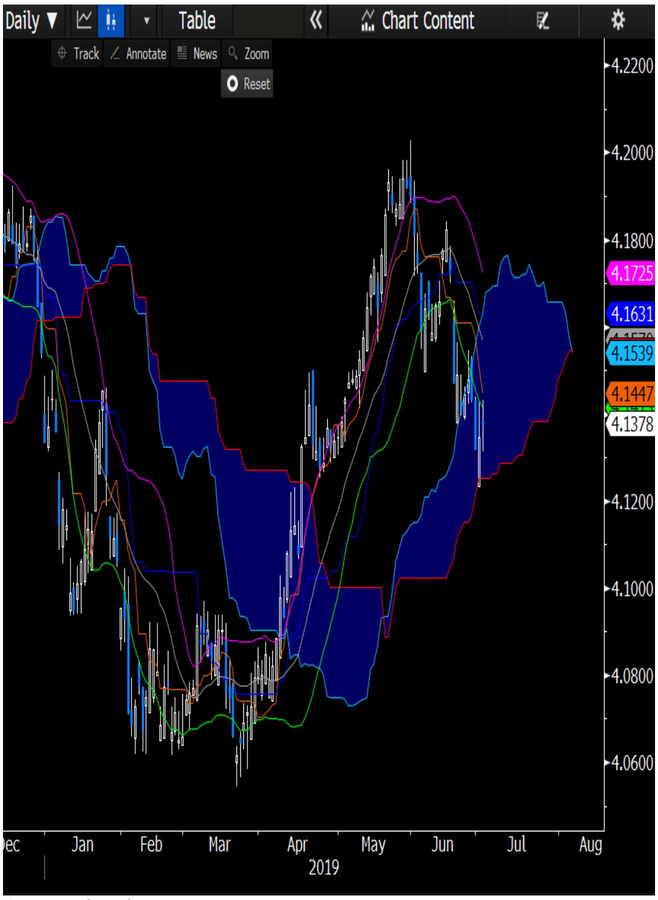
Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

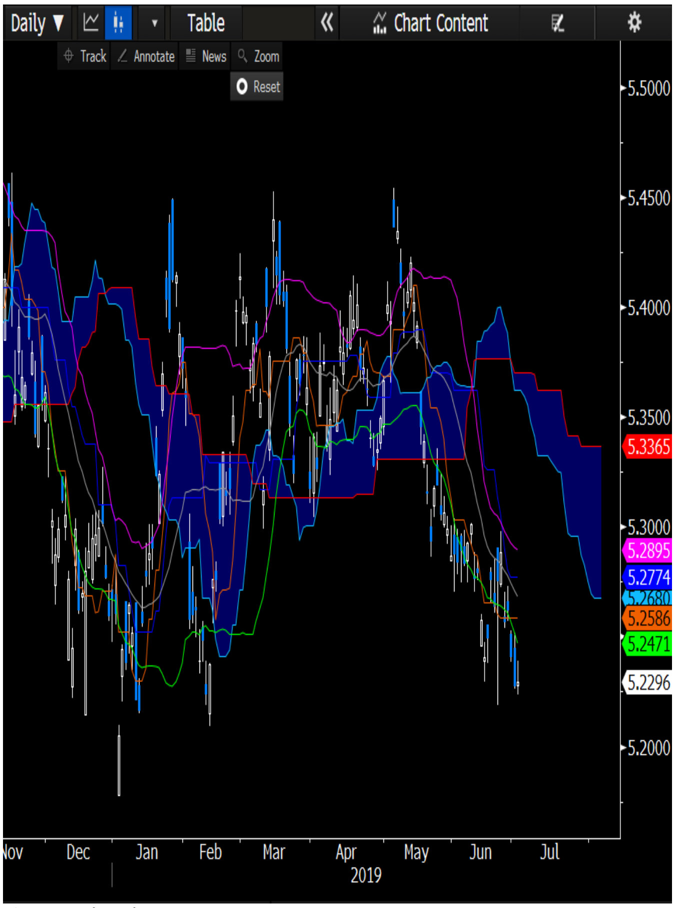
Indicative USDMYR 4.1378



Source: Bloomberg

- USDMYR opened 0.10% higher at 4.1385. **Daily outlook bullish.**
- **Weekly outlook bearish and monthly outlook neutral**.
- **We are bearish on MYR today** taking cue from the overnight broad-based strengthening of the greenback. We are still bullish MYR in the medium term given that MYR continues to trade below the 4.1600 pivot to indicate continuous strength as well as ongoing expectations of a Fed rate cut in late July. The revival of US-China trade talks would lend weight to the pair, pushing it towards 4.1200 support, as the MYR strengthens further.
- **Key resistances:** 4.1400 (R1), 4.1450 (R2), 4.1500 (R3)
- **Key supports:** 4.1350 (S1), 4.1300 (S2), 4.1250 (S3)
- **Expected range for the day:** 4.1250– 4.1450

Indicative GBPMYR 5.2296

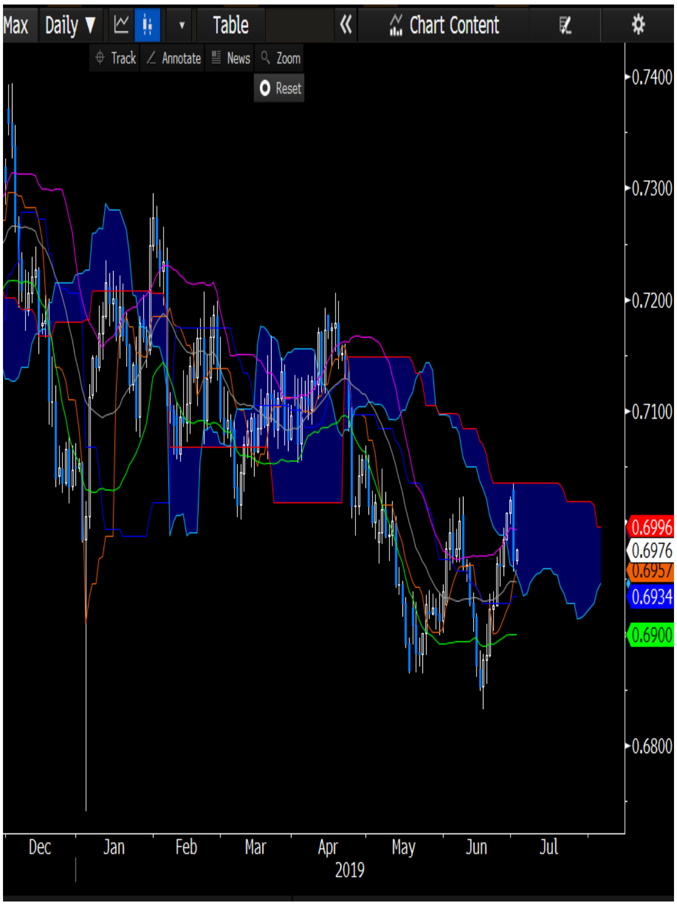


Source: Bloomberg

- GBPMYR opened marginally higher at 5.2281 today. **Daily outlook bearish**.
- **Weekly outlook bearish and monthly outlook neutral**.
- **We remain bearish on GBPMYR** over the medium term as UK leadership drama alongside Brexit woes will continue to weigh down on GBP component while positive trade developments gave strength to the MYR.
- **Key resistances**: 5.2400 (R1), 5.2500 (R2), 5.2590 (R3)
- **Key supports**: 5.2230 (S1), 5.2200 (S2), 5.2150 (S3)
- **Expected range for the day:** 5.2200– 5.2400

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

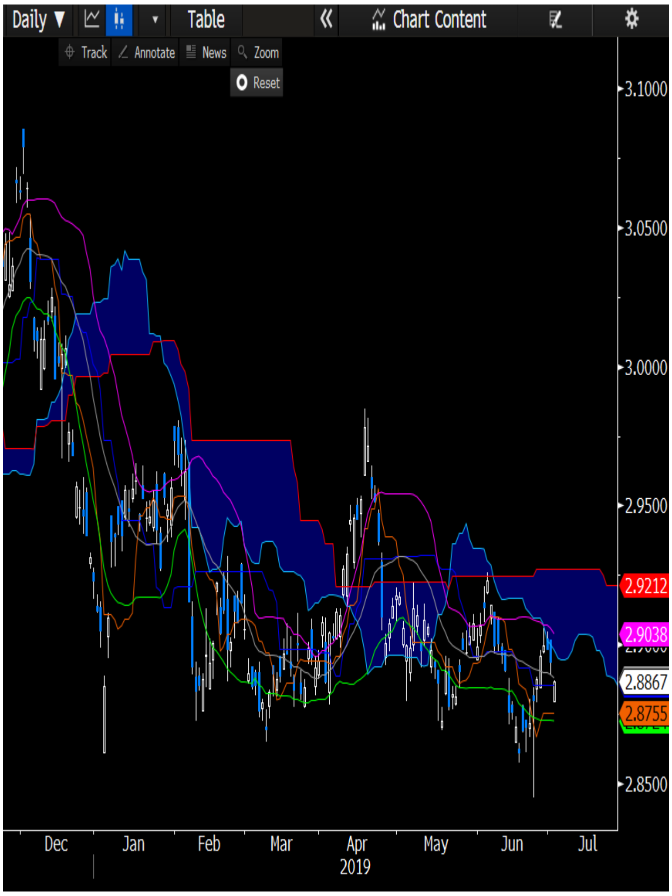
Indicative AUDUSD 0.6976



Source: Bloomberg

- AUDUSD opened unchanged at 0.6966 today. **Daily outlook neutral to mildly bullish.**
- **Weekly and monthly outlook bearish**.
- **AUD is likely to stay bearish today in anticipation of the RBA's rate cut later.** Markets are pricing in a 25bps cut, and consensus is calling for a similar scenario, which if it materializes, could bring the AUD lower. We await RBA rate outcome and its statement to gauge its stance for further guidance.
- **Key resistances:** 0.7000 (R1), 0.7050 (R2), 0.7100 (R3)
- **Key supports:** 0.6950 (S1), 0.6934 (S2), 0.6900 (S3)
- **Expected range for the day:** 0.6900-0.7000

Indicative AUDMYR 2.8867



Source: Bloomberg

- AUDMYR opened 0.49% lower at 2.8797 today. **Daily outlook bearish.**
- **Technical weekly outlook neutral and monthly outlook bearish**.
- **We turn bearish on AUDMYR** today on RBA rate cut expectations, while simultaneously the positive trade development continues to lend strength to the MYR component. Similarly, we look towards RBA cash rate decision and statement for further guidance.
- **Key resistances:** 2.9000 (R1), 2.9030 (R2), 2.9050 (R3)
- **Key supports:** 2.8755 (S1), 2.8730 (S2), 2.8700 (S3)
- **Expected range for the day:** 2.8700– 2.9000

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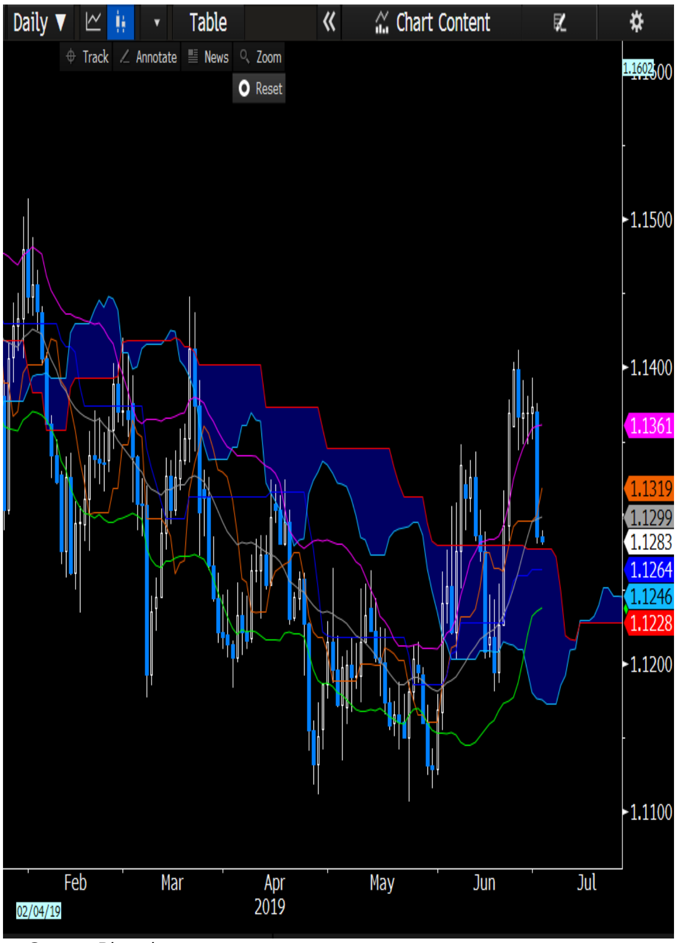
Indicative EURUSD 1.1283



Source: Bloomberg

- EURUSD opened unchanged at 1.1286 today. **Daily outlook bearish.**
- **Weekly outlook bullish and monthly outlook bearish**.
- **We are bearish on EUR today amidst a firmer USD** but in the medium term, we remain bullish on EUR as the Fed is likely to cut rate while the ECB hold its key rates steady and on top of that, positive US-China trade developments would lend support to the single currency.
- **Key resistances:** 1.1300 (R1), 1.1320 (R2), 1.1350 (R3)
- **Key supports:** 1.1250 (S1), 1.1220 (S2), 1.1200 (S3)
- **Expected range for the day:** 1.1250 – 1.1300

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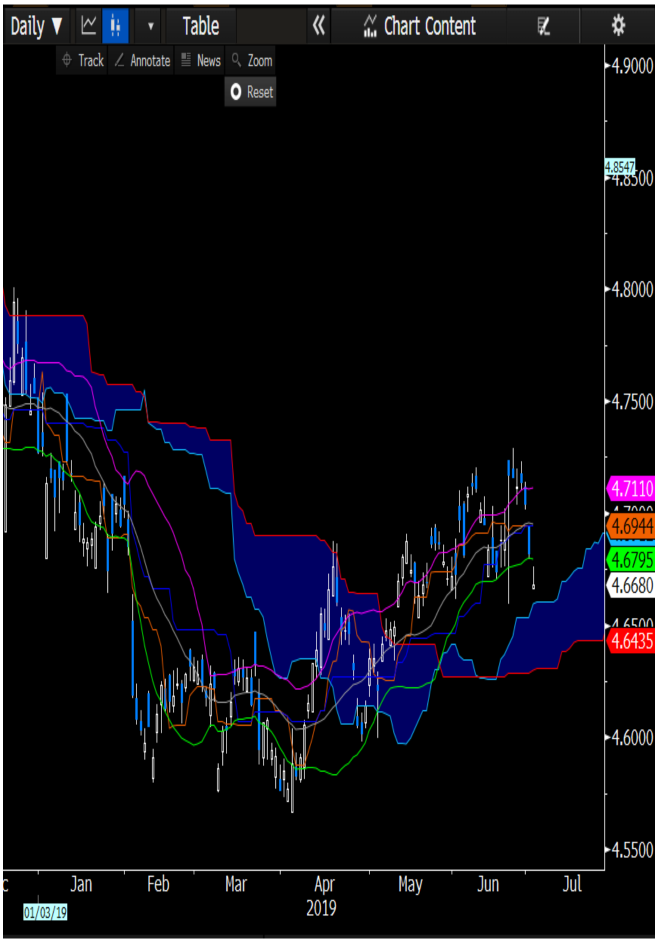
Indicative EURMYR 4.6680



Source: Bloomberg

- EURMYR opened 0.33% lower at 4.6666 today. **Daily outlook bearish** in anticipation of a stronger MYR as well as a weaker EUR.
- **Weekly outlook bullish, monthly outlook bearish**.
- **We are bearish on the pair** as positive trade developments lends strength to the MYR component while mild profit taking activities in EUR component also weighed down single currency in the short term.
- **Key resistances:** 4.6700 (R1) 4.750 (R1), 4.6800 (R3)
- **Key supports:** 4.6600 (S1), 4.6550 (S2), 4.6500 (S3)
- **Expected range for the day:** 4.6600– 4.6700

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