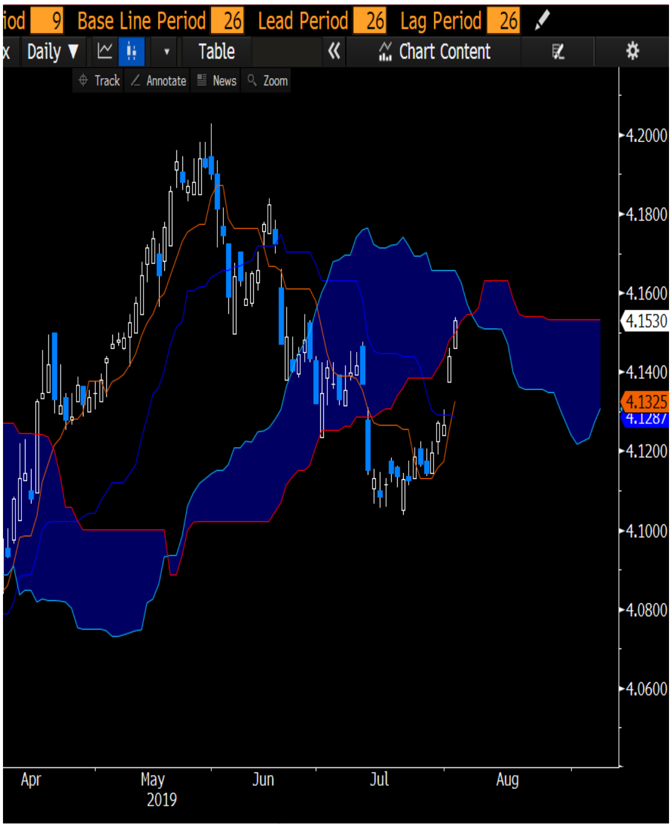
Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

Indicative USDMYR 4.1530

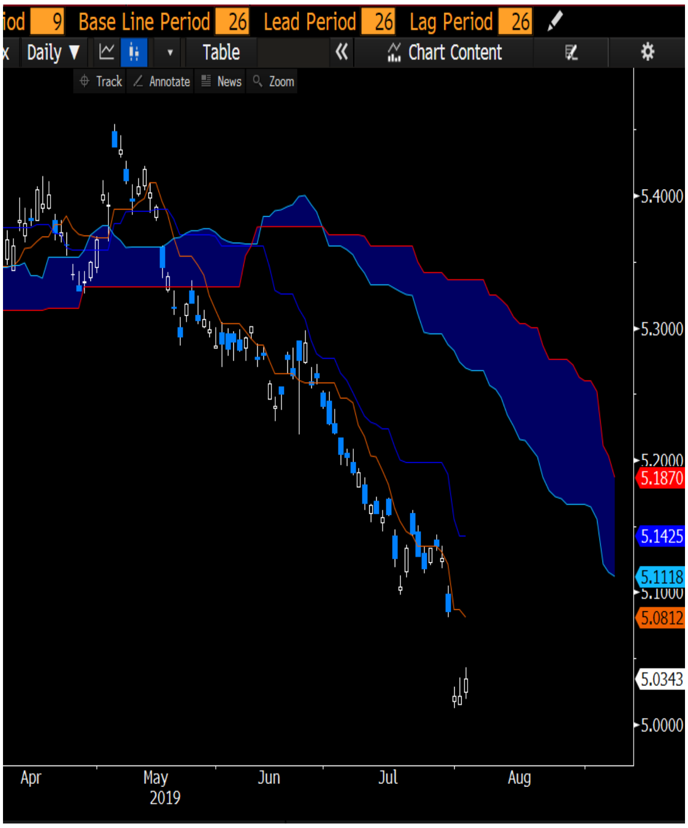


Source: Bloomberg

- USDMYR opened marginally higher at 4.1460. **Daily outlook bullish.**
- **Weekly outlook and monthly outlook bearish**.
- **We are bullish on USDMYR today** as President Trump fires a fresh salvo in the ongoing trade war by imposing 10% tariffs on the remaining USD 300 bio worth of Chinese goods effective 1st September with an option of increasing it to 25% at a later date**. In the medium term, we turn bullish on USDMYR** as it is unlikely that both US and Chinese negotiators will find a resolution anytime soon in the ongoing trade war saga.
- **Key resistances:** 4.1550 (R1), 4.1600 (R2), 4.1650 (R3)
- **Key supports:** 4.1500 (S1), 4.1450 (S2), 4.1400 (S3)
- **Expected range for the day:** 4.1450- 4.1600

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

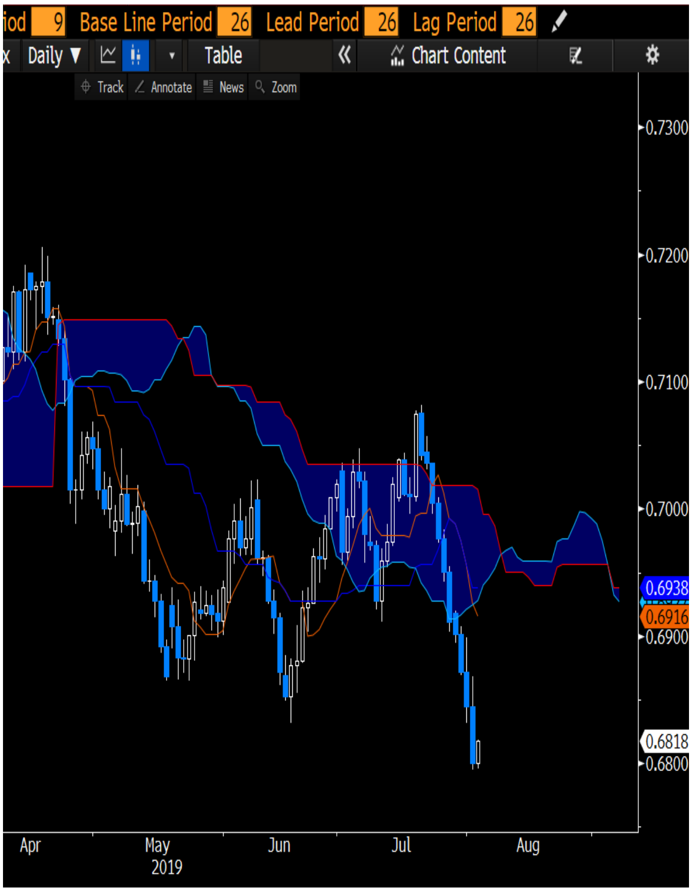
Indicative GBPMYR 5.0345



Source: Bloomberg

- GBPMYR opened marginally higher at 5.0242 today. **Daily outlook mildly bullish.**
- **Weekly and monthly outlook bearish**.
- **We are mildly bullish on the pair today as** USDMYR component receives a boost thanks to ongoing risk aversion as the US fires a fresh salvo in the US-China trade saga**. In the medium term, we remain bearish GBP** as the odds of a no-deal Brexit remain high alongside contagion fears from ongoing trade war.
- **Key resistances**: 5.0400 (R1), 5.0500 (R2), 5.0650 (R3)
- **Key supports**: 5.0200 (S1), 5.0100 (S2), 5.0000 (S3)
- **Expected range for the day: 5**.0200 – 5.0500

Indicative AUDUSD 0.6809

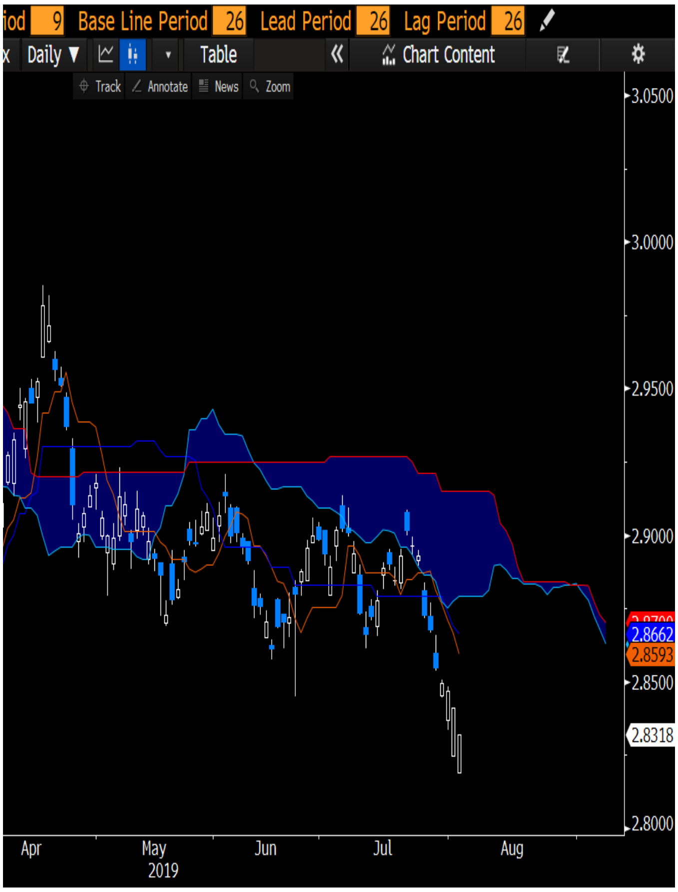


Source: Bloomberg

- AUDUSD opened unchanged at 0.6800 today. **Daily outlook bearish.**
- **Weekly and monthly outlook bearish.**
- **We are bearish on AUD today** as risk aversion grips markets as President Trump reignites trade war fears**. In the medium term, we turn bearish on AUD** as it is unlikely that negotiators will find a resolution over the short term and the current situation will likely drag further.
- **Key resistances:** 0.6825 (R1), 0.6850 (R2), 0.6875 (R3)
- **Key supports:** 0.6800 S1), 0.6775 (S2), 0.6750 (S3)
- **Expected range for the day:** 0.6775-0.6850

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

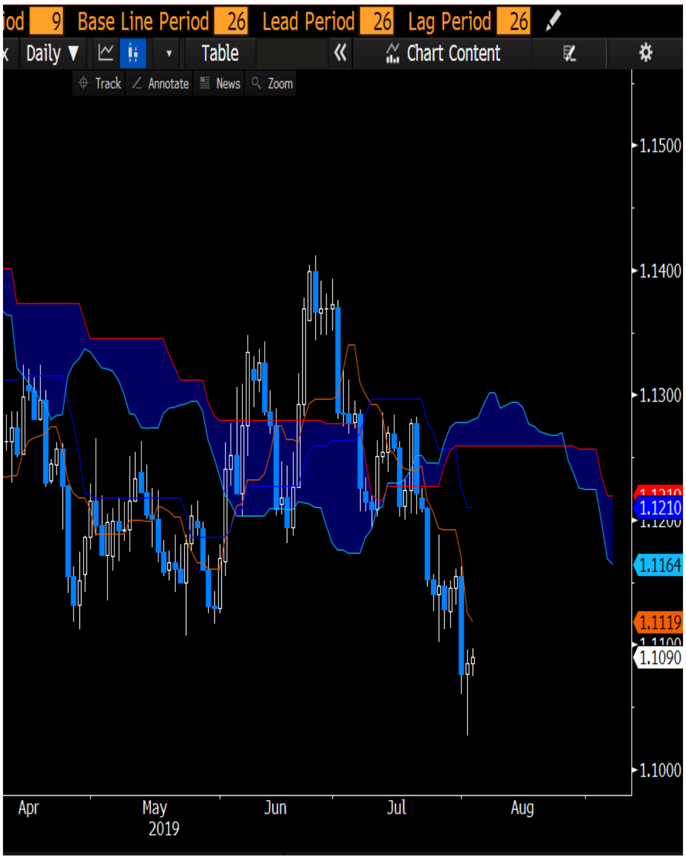
Indicative AUDMYR 2.8278



Source: Bloomberg

- AUDMYR opened 0.77% lower at 2.8190 today. **Daily outlook mildly bullish on bullish USDMYR component.**
- **Weekly outlook and monthly outlook slightly bearish.**
- **We are mildly bullish on the pair** today as USDMYR component receives a boost thanks risk aversion gripping markets. **In the medium term, we turn bullish on the pair** and look towards developments in US-China trade saga to drive direction.
- **Key resistances:** 2.8500 (R1), 2.8600 (R2), 2.8800 (R3)
- **Key supports:** 2.8200 (S1), 2.8100 (S2), 2.8000 (S3)
- **Expected range for the day:** 2.8200- 2.8400

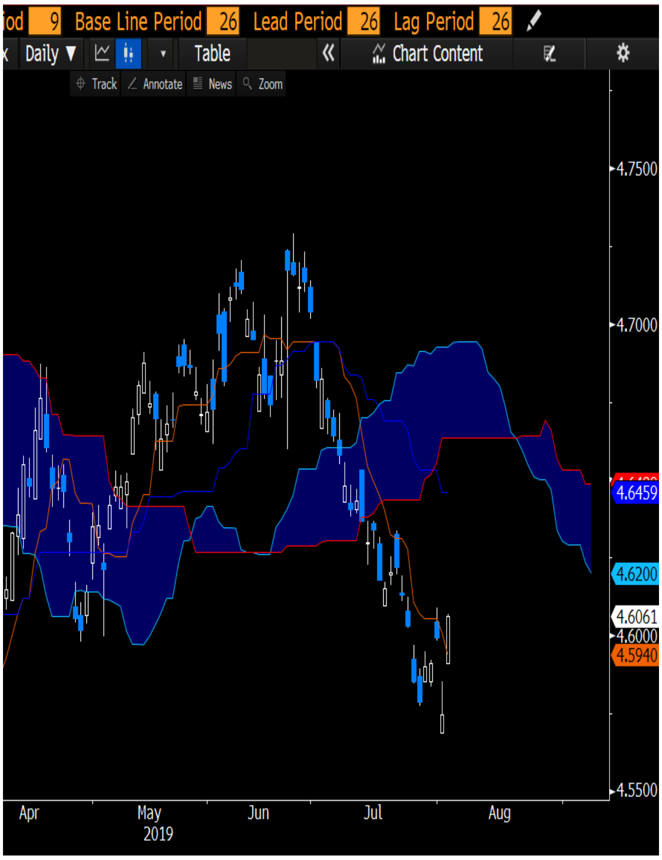
Indicative EURUSD 1.1090



Source: Bloomberg

- EURUSD opened unchanged at 1.1085 today. **Daily outlook neutral to mildly bullish.**
- **Weekly outlook neutral and monthly outlook bearish.**
- **We are neutral to mildly bullish EUR over the short and medium term** as pair will likely trade higher on the break of trade war but gains are likely limited as global growth is damaged and US rates are likely to compress more so there is some conflict for the time being.
- **Key resistances:** 1.1100 (R1), 1.1130 (R2), 1.1150 (R3)
- **Key supports:** 1.1060 (S1), 1.1030 (S2), 1.1000 (S3)
- **Expected range for the day:** 1.1050 – 1.1130

Indicative EURMYR 4.6060



Source: Bloomberg

- EURMYR opened 0.36% higher at 4.5911 today. **Daily bullish on bullish USDMYR component.**
- **Weekly and monthly outlook bearish**.
- **We are bullish on the pair over the short and medium term** as risk aversion grips markets and pair will likely make gains back towards the first significant resistance level of circa 4.64 and beyond so long as there is no resolution to the ongoing trade saga.
- **Key resistances:** 4.6150 (R1) 4.6250 (R1), 4.6400 (R3)
- **Key supports:** 4.5800 (S1), 4.5700 (S2), 4.5600 (S3)
- **Expected range for the day:** 4.5900 – 4.6150

** 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