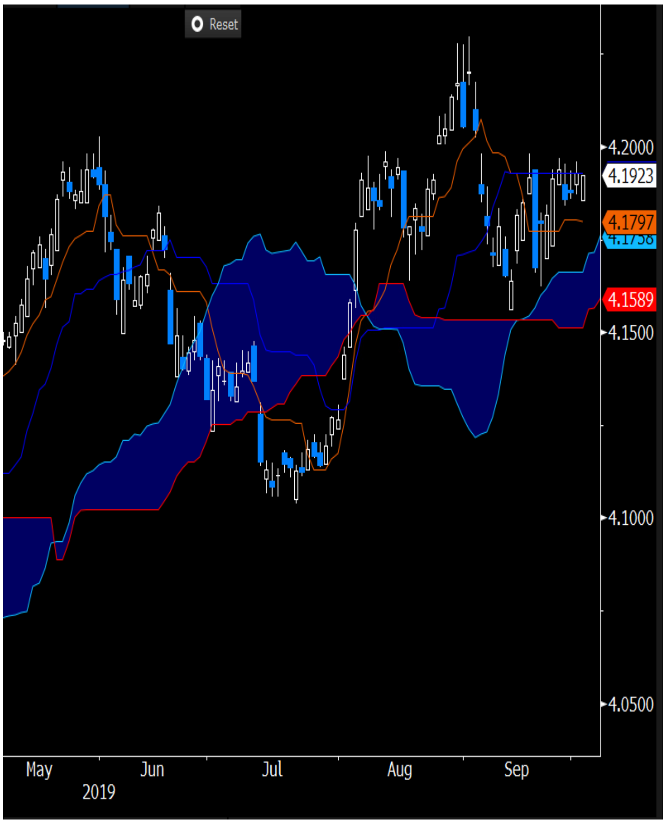
Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

Indicative USDMYR 4.1923

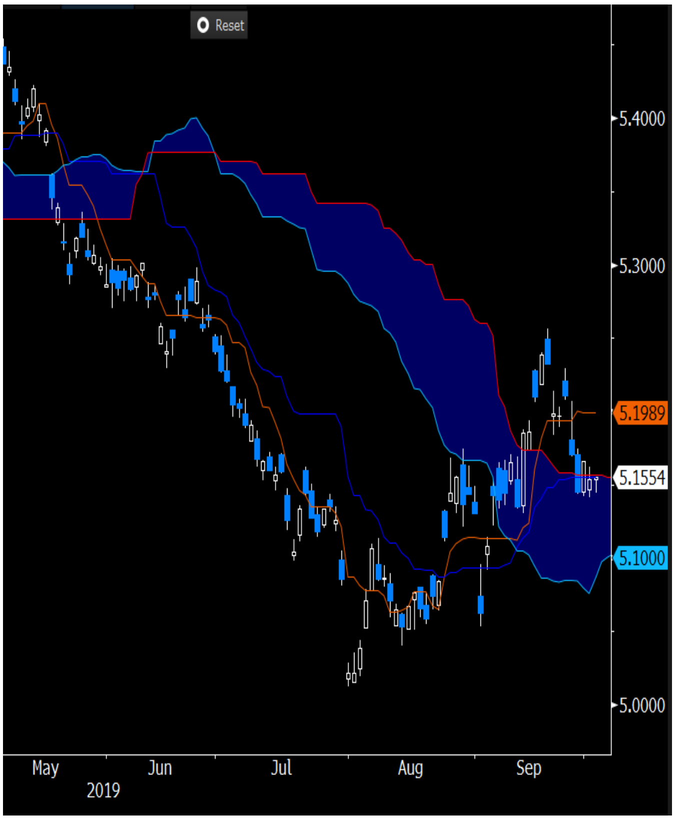


Source: Bloomberg

- USDMYR opened 0.18% lower at 4.1855. **Daily outlook bearish.**
- **Weekly outlook bullish and monthly outlook neutral.**
- **We turned bullish on MYR today,** expecting the dollar to trade on a weaker note after being hit hard by the poor ISM manufacturing overnight. 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:** 4.1950 (S1), 4.2000 (S2), 4.2050 (S3)
- **Key supports:** 4.1900 (R1), 4.1850 (R2), 4.1800 (R3)
- **Expected range for the day:** 4.1800- 4.2000

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

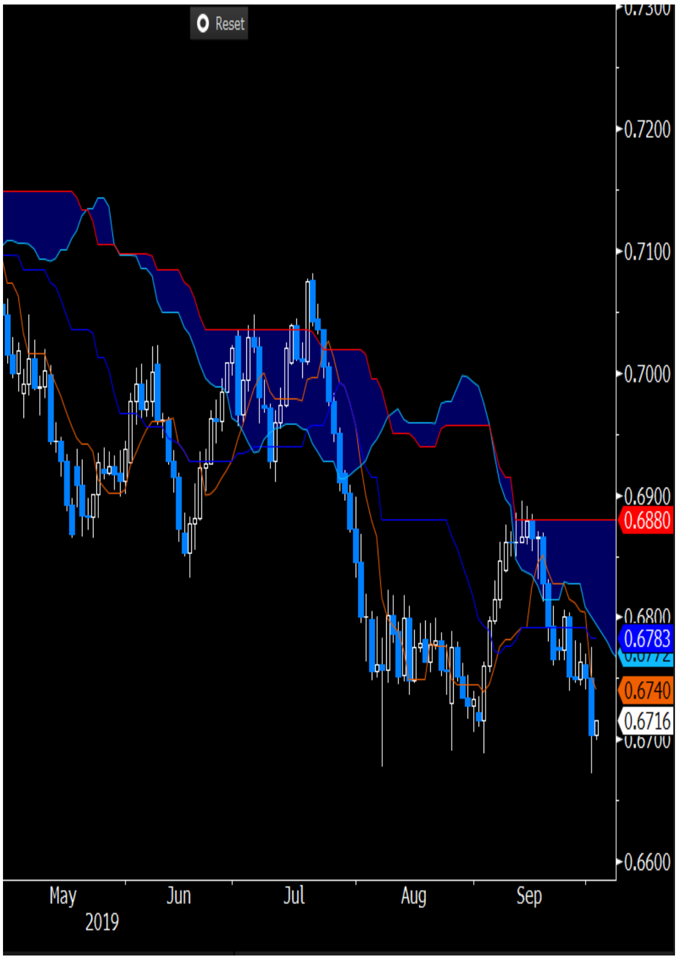
Indicative GBPMYR 5.1554



Source: Bloomberg

- GBPMYR opened unchanged at 5.1539 today. **Daily outlook neutral to slightly bearish.**
- **Weekly and monthly outlook bearish**.
- **We are neutral to slightly bearish** as the pair stabilizes and awaits further Brexit development. Expect volatility should headlines emerge that the EU rejects Boris Johnson's final Brexit offer as this would reinforce the possibility of a no-deal withdrawal. **The medium-term outlook remains bearish,** entirely determined by Brexit development leading up to the 31-October deadline.
- **Key resistances**: 5.1660 (R1), 5.1770 (R2), 5.1880 (R3)
- **Key supports**: 5.1390 (S1), 5.1300 (S2), 5.1200 (S3)
- **Expected range for the day:** 5.1350- 5.1770

Indicative AUDUSD 0.6716



Source: Bloomberg

- AUDUSD opened unchanged at 0.6704 today. **Daily outlook slightly bullish.**
- **Weekly and monthly outlook bearish.**
- **AUD is likely to retrace some losses today amidst general dollar weakness** as markets digest poor US data and RBA's dovish statement, particular its concern over the Australia labour market**. In the medium term, we remain bearish on AUD** over the possibility of further RBA easing, prolonged US-China trade tension and a weakening Chinese economy that could pose downside risk to AUD.
- **Key resistances:** 0.6730 (R1), 0.6740 (R2), 0.6780 (R3)
- **Key supports:** 0.6700 (S1), 0.6680 (S2), 0.6670 (S3)
- **Expected range for the day:** 0.6680- 0.6730

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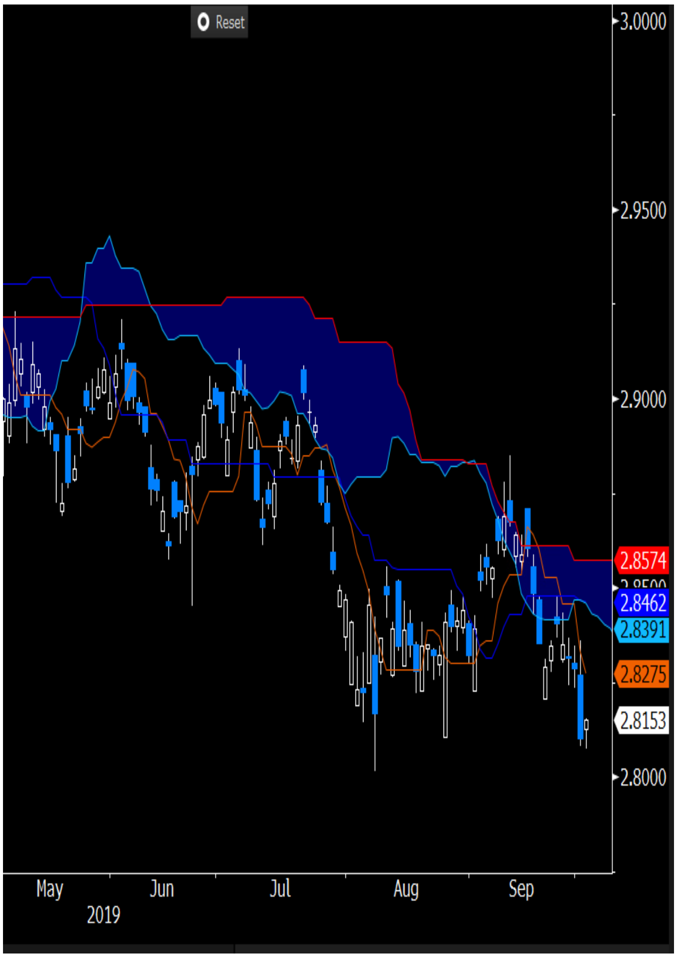
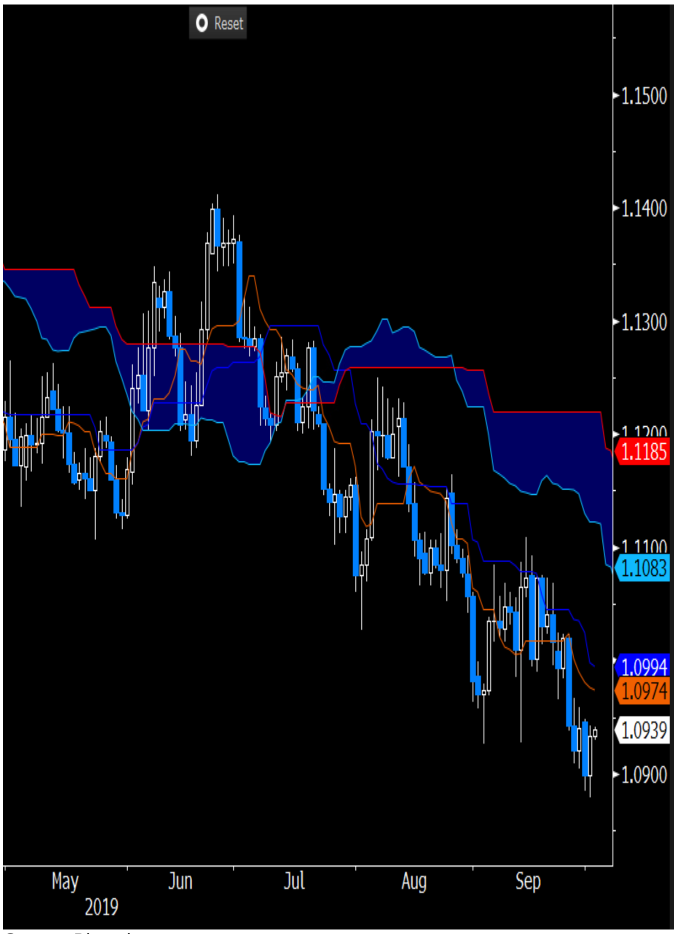
Indicative AUDMYR 2.8153



Source: Bloomberg

- AUDMYR opened slightly higher at 2.8126 today. **Daily outlook slightly bullish.**
- **Weekly and monthly outlook bearish.**
- **We are bullish on AUDMYR, expecting** technical rebound following a plunge in the Aussie dollar on Tuesday. **Over the medium term, we maintain a bearish outlook on AUDMYR** over the possibility of further RBA easing, prolonged US-China trade tension and a weakening Chinese economy that could pose downside risk to AUD.
- **Key resistances:** 2.8200 (R1), 2.8250 (R2), 2.8275 (R3)
- **Key supports:** 2.8080 (S1), 2.8060 (S2), 2.8020 (S3)
- **Expected range for the day:** 2.8080– 2.8200

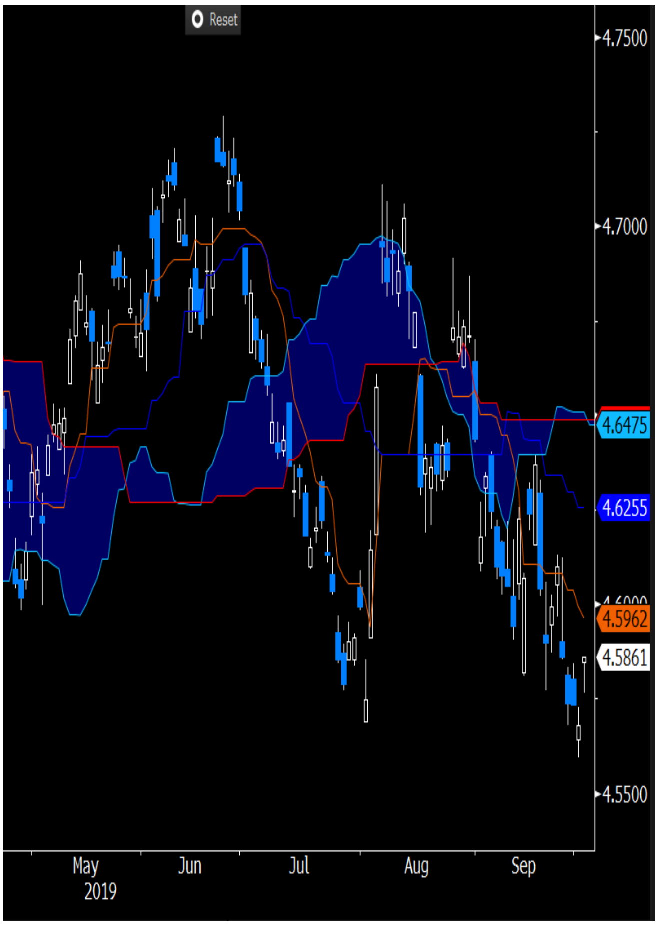
Indicative EURUSD 1.0939



Source: Bloomberg

- EURUSD opened unchanged at 1.0933 today. **Daily outlook neutral.**
- **Weekly and monthly outlook bearish.**
- EUR rode on dollar weakness to stage a rebound overnight but we expect the strength to be capped by weak Euro area inflation. **We are neutral on EUR as upside to the single currency is limited** as it struggles to break above 1.0940 in the Asian session on the current downbeat sentiment surrounding Euro area outlook. Medium-term outlook is tied to ongoing worries over the Eurozone's dismal economic state, and is expected to weaken as the ECB restarts its APP program.
- **Key resistances:** 1.0950 (R1), 1.0970 (R2), 1.0980 (R3)
- **Key supports:** 1.0920 (S1), 1.0900 (S2), 1.0880 (S3)
- **Expected range for the day:** 1.0900-1.0970

Indicative EURMYR 4.5861



Source: Bloomberg

- EURMYR opened 0.37% higher at 4.5846 today. **Daily outlook bullish.**
- **Weekly and monthly outlook bearish.**
- **We turned bullish on EURMYR today mainly because of overnight EUR strength** following its rebound against the USD after poor US data. **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:** 4.5900 (R1) 4.6000 (R1), 4.6100 (R3)
- **Key supports:** 4.5800 (S1), 4.5700 (S2), 4.6000 (S3)
- **Expected range for the day:** 4.5800– 4.6000

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