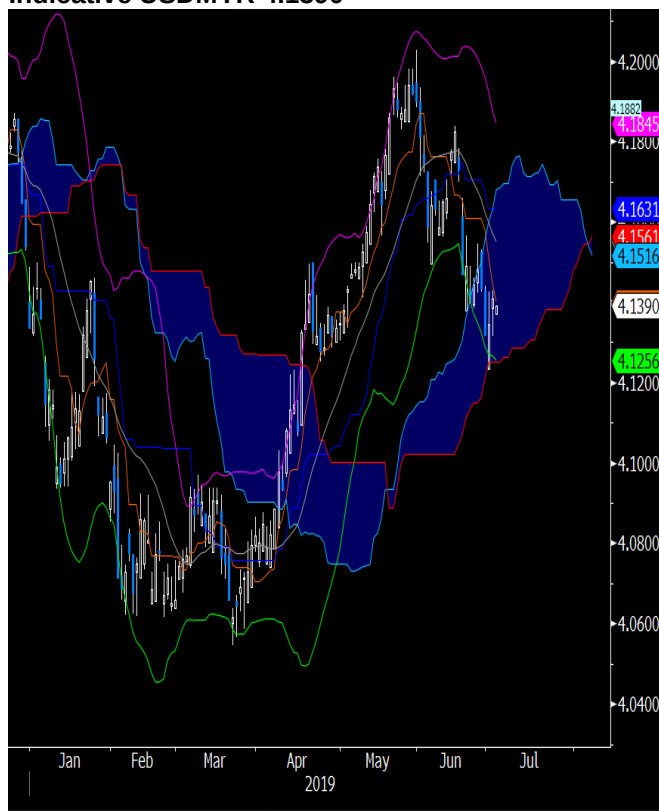


Global Markets Research

FX Strategy

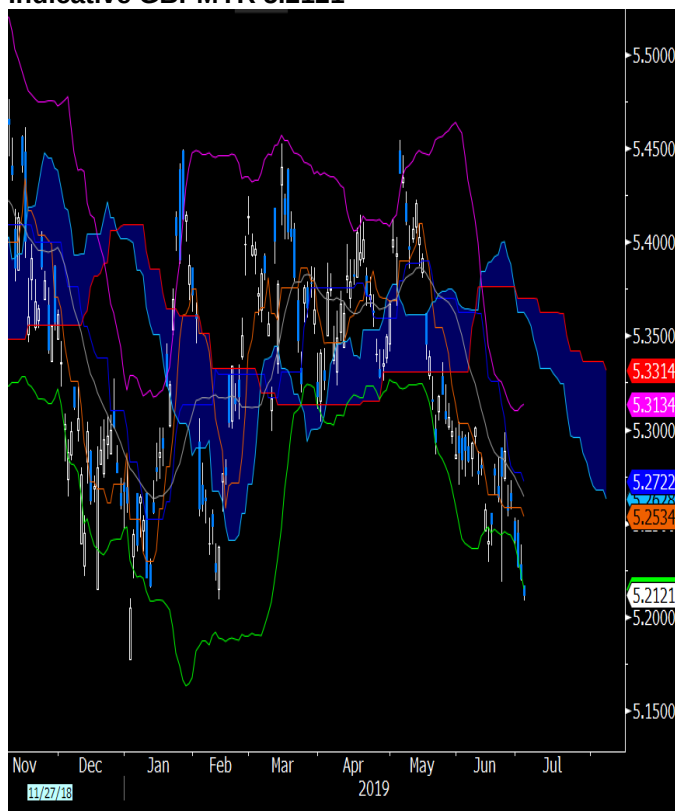
Daily Currency Outlook – 11am edition

Indicative USDMYR 4.1390



Source: Bloomberg

Indicative GBPMYR 5.2121



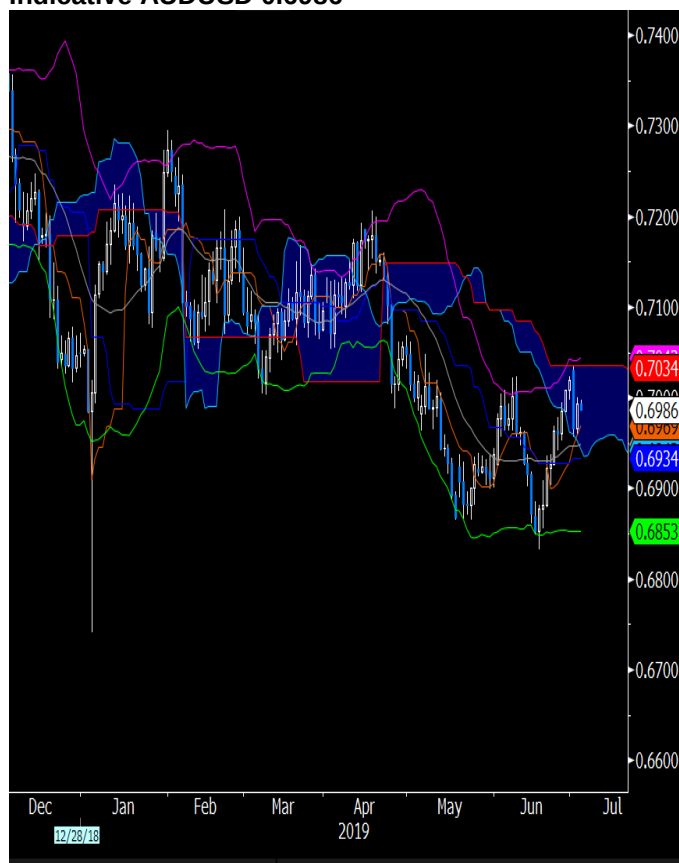
Source: Bloomberg

- USDMYR opened 0.10% lower at 4.1370. **Daily outlook neutral to slightly bullish.**
- **Weekly outlook slightly bullish and monthly outlook bearish.**
- **We are neutral to slightly bullish on USDMYR today** amidst retreating risk sentiments as enthusiasm over US-China trade truce withered. **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.
- **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

- GBPMYR opened marginally lower at 5.2166 today. **Daily outlook bearish.**
- **Weekly outlook bearish and monthly outlook neutral.**
- **We are bearish on the currency pair today mainly on weakness in GBP component due to BOE Chief Mark Carney's dovish speech and poor UK data.** In the medium term, leadership and Brexit uncertainties would likely **keep the sterling under pressure** from now until 31 Oct.
- **Key resistances:** 5.2200 (R1), 5.2400 (R2), 5.2535 (R3)
- **Key supports:** 5.2085 (S1), 5.2050 (S2), 5.2000 (S3)
- **Expected range for the day:** 5.2050– 5.2400

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

Indicative AUDUSD 0.6986

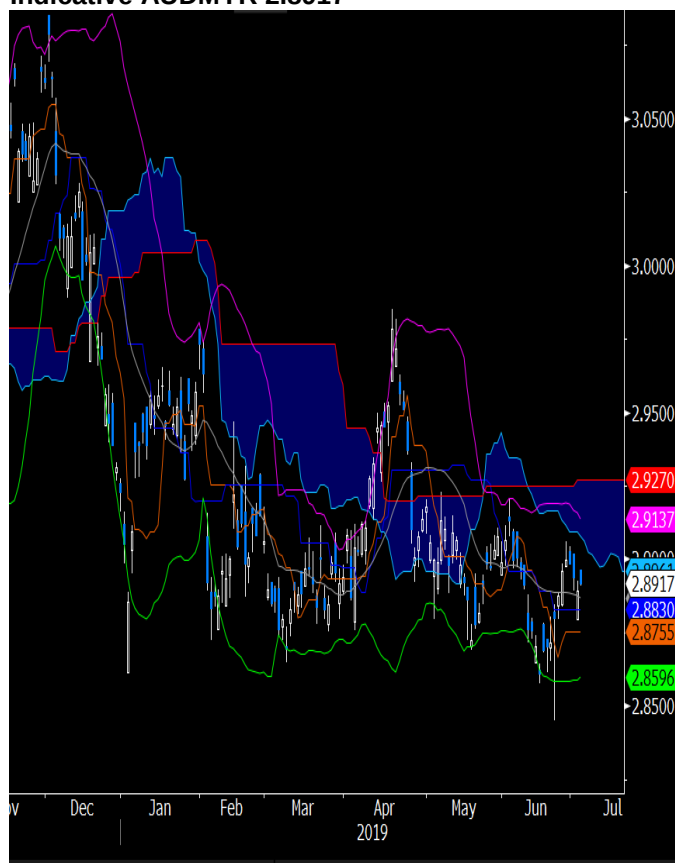


Source: Bloomberg

- AUDUSD opened unchanged at 0.6994 today. **Daily outlook neutral.**
- **Weekly and monthly outlook slightly bullish.**
- **AUD likely trade flat today as markets shrugged off better-than expected trade data and building approvals.** In the medium term, development in the US-China trade relation remains a key driver for the currency pair and any positive headlines would push the commodity-linked currency higher. RBA's statement offered no fresh clues on its next move suggesting that it will pause adjusting rates at least during its next meeting while awaiting further development in US-China trade dispute and simultaneously monitoring the domestic labour market.
- **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:** 0.6950-0.7000

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

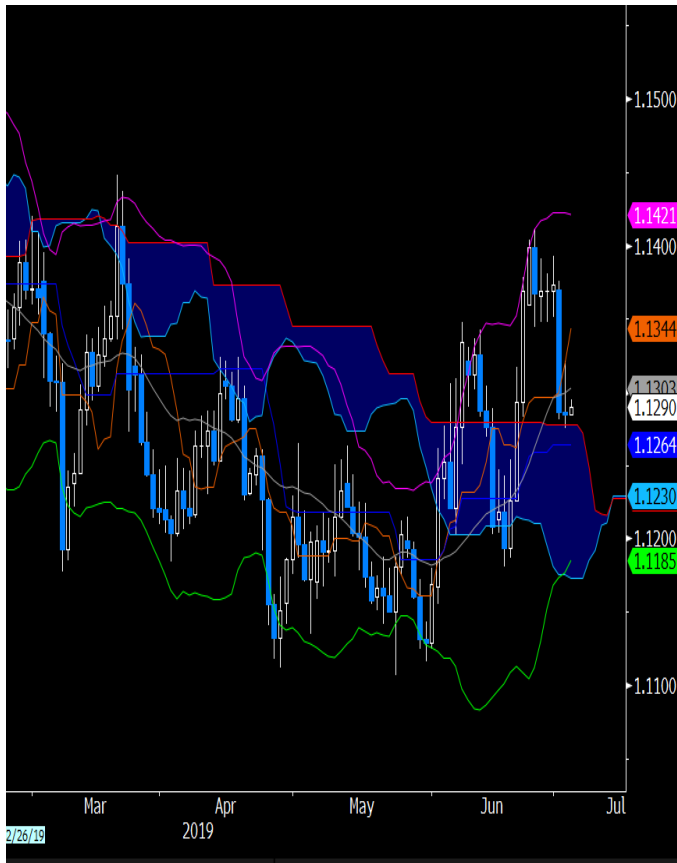
Indicative AUDMYR 2.8917



Source: Bloomberg

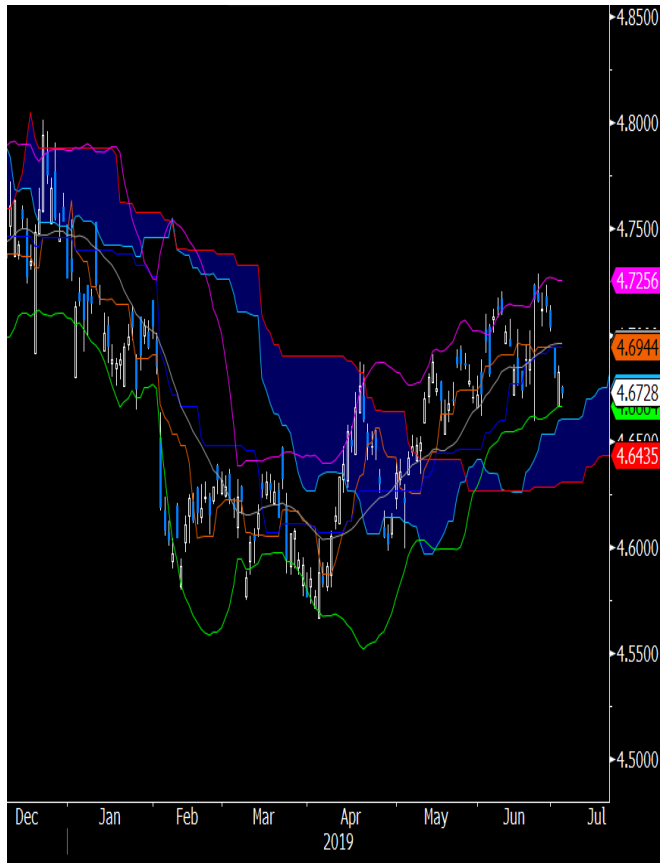
- AUDMYR opened 0.26% higher at 2.8965 today. **Daily outlook neutral.**
- **Weekly outlook neutral and monthly outlook slightly bearish.**
- **We are neutral on AUDMYR today on the lack of catalyst in individual component as trade optimism waned and RBA refrained from hinting its next cash rate move.** In the medium term, any positive trade headlines likely benefit overall EM currencies thus giving strength to MYR.
- **Key resistances:** 2.9000 (R1), 2.9030 (R2), 2.9050 (R3)
- **Key supports:** 2.8870 (S1), 2.8730 (S2), 2.8700 (S3)
- **Expected range for the day:** 2.8800– 2.9000

Indicative EURUSD 1.1289



Source: Bloomberg

Indicative EURMYR 4.6728



Source: Bloomberg

- EURUSD opened unchanged at 1.1285 today. **Daily outlook bearish.**
- **Weekly outlook bearish and monthly outlook bullish.**
- **We are bearish on EUR today as EUR is under bearish pressure below 1.1320 resistance** with fresh US tariffs threat serving as a drag on the common currency. In the medium term, we remain bullish on EUR as the Fed is expected to cut rate this year while the ECB likely to hold its key rates steady for the remainder of 2019.
- **Key resistances:** 1.1300 (R1), 1.1320 (R2), 1.1350 (R3)
- **Key supports:** 1.1275 (S1), 1.1250 (S2), 1.1220 (S3)
- **Expected range for the day:** 1.1250 – 1.1320

- EURMYR opened 0.15% lower at 4.6754 today. **Daily outlook bearish.**
- **Weekly outlook bullish, monthly outlook bearish.**
- **We are bearish on the currencies pair today** on the back of a weaker EUR as the US threatened new tariffs on European goods. In the medium term, EUR strength arising from Fed's coming rate cut likely keep the pair well supported.
- **Key resistances:** 4.6800 (R1) 4.6860 (R1), 4.6945 (R3)
- **Key supports:** 4.6700 (S1), 4.6670 (S2), 4.6600 (S3)
- **Expected range for the day:** 4.6670– 4.6800

* 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 Damansara

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.