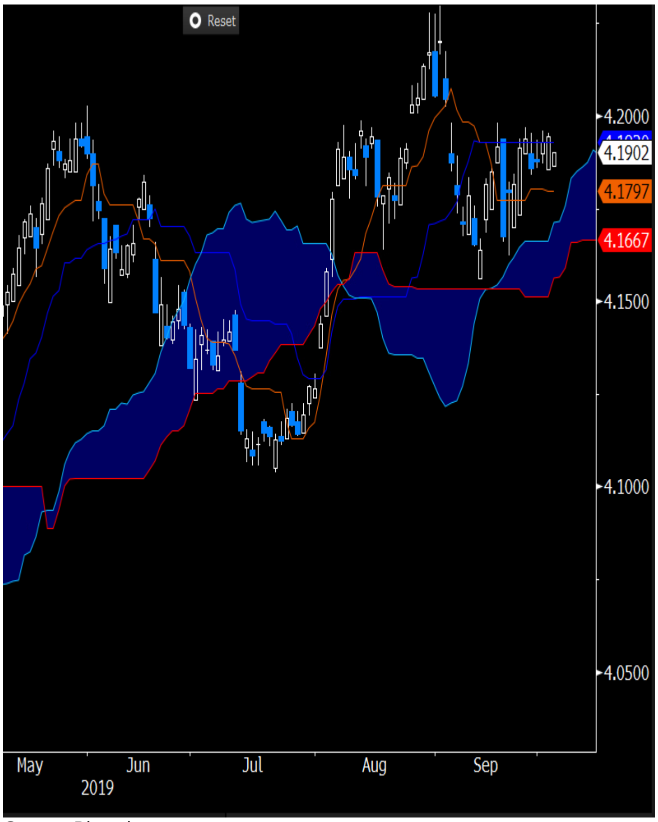
October 3, 2019

Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

Indicative USDMYR 4.1902

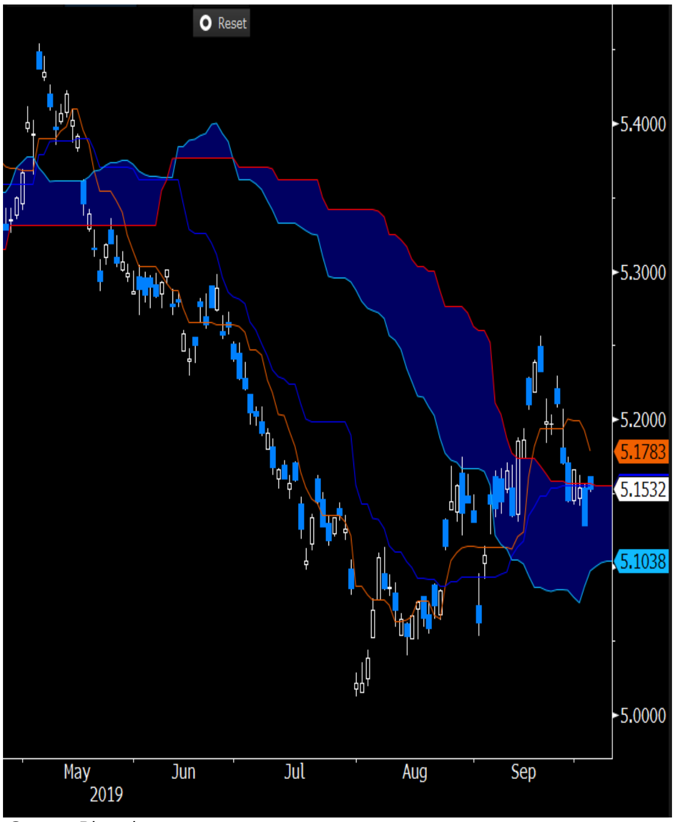


Source: Bloomberg

- USDMYR opened 0.19% lower at 4.1865. **Daily outlook neutral to bearish.**
- **Weekly and monthly outlook neutral.**
- **We are neutral to slightly bearish USDMYR today**, expecting the dollar to trade on a weaker note as it continued to be pressured by weak US data but expect markets to stay sidelined ahead of Malaysia's trade data tomorrow and US ISM non-manufacturing index today and tomorrow's NFP job report. In the medium term, we are neutral to slightly bearish on MYR taking into account unresolved US-China trade dispute, ECB's impending APP program as well as the 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*

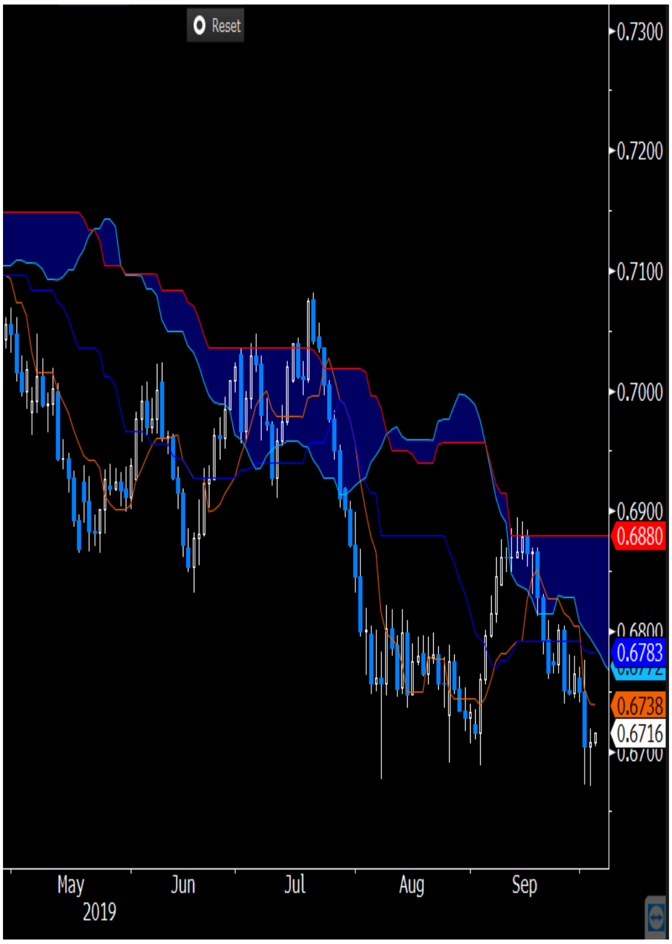
Indicative GBPMYR 5.1531



Source: Bloomberg

- GBPMYR opened 0.65% higher at 5.1609 today. **Daily outlook neutral to slightly bullish.**
- **Weekly outlook neutral and monthly outlook bearish**.
- **We are neutral to slightly bullish on the pair, expecting some strength in GBP on broad dollar weakness** and markets to stay sidelined as the EU assesses Johnson's offer**.** Short and medium term outlook are completely driven by Brexit headlines hence are subject to volatility.
- **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

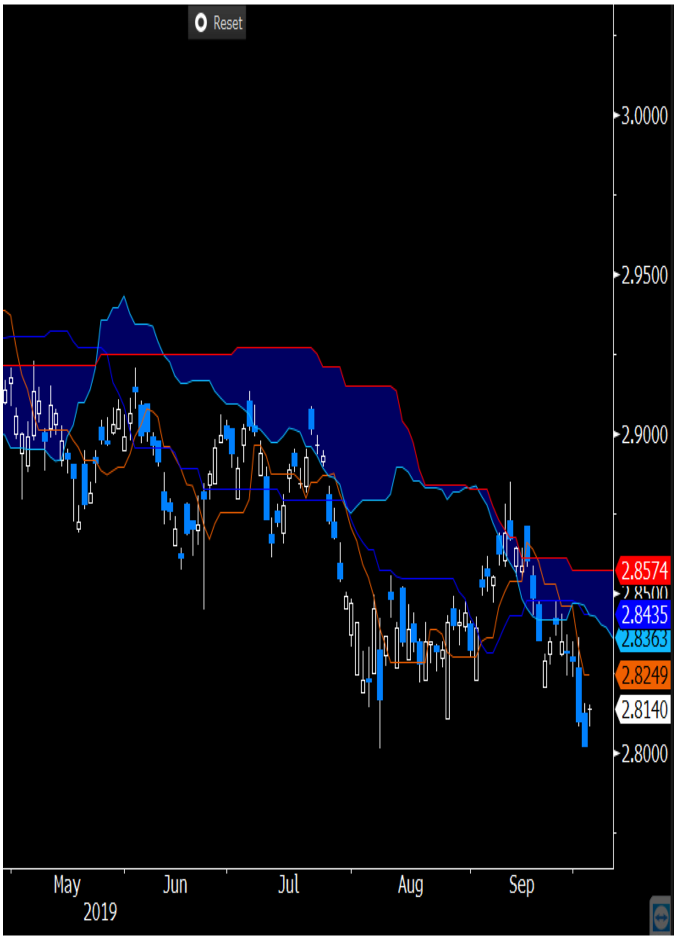
Indicative AUDUSD 0.6716



Source: Bloomberg

- AUDUSD opened unchanged at 0.6707 today. **Daily outlook bullish.**
- **Weekly outlook neutral and monthly outlook bearish.**
- **AUD is trading on a bullish bias today**, pushing ahead towards recovery by taking advantage of broad-based dollar weakness despite poor trade data released just this morning. 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:** 0.6720 (R1), 0.6730 (R2), 0.6740 (R3)
- **Key supports:** 0.6700 (S1), 0.6680 (S2), 0.6670 (S3)
- **Expected range for the day:** 0.6680- 0.6740

Indicative AUDMYR 2.8140

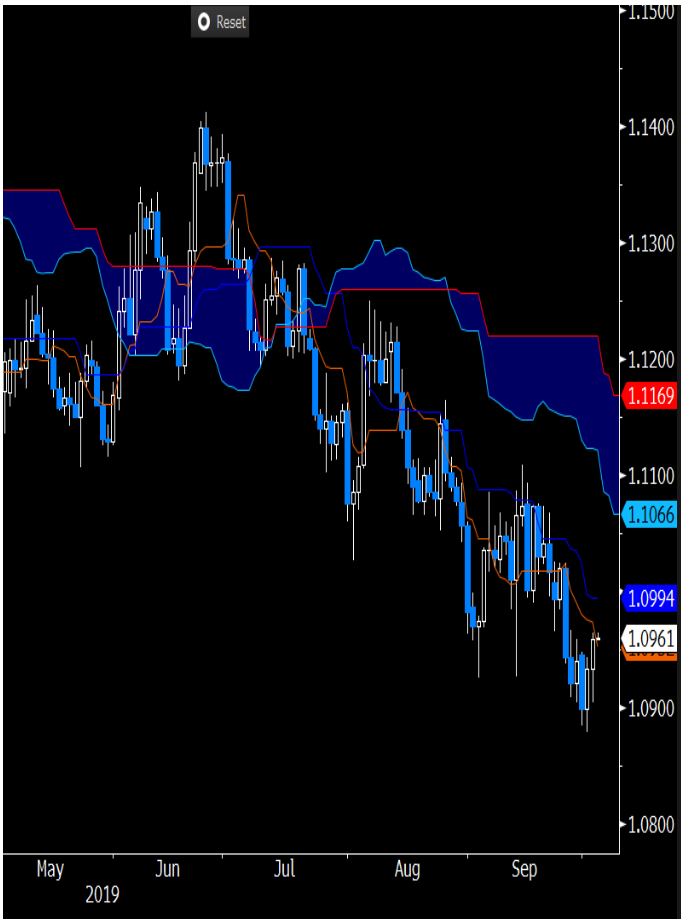


Source: Bloomberg

- AUDMYR opened 0.41% higher at 2.8139 today. **Daily outlook bullish.**
- **Weekly outlook neutral and monthly outlook bearish.**
- **We are bullish on AUDMYR on stronger AUD component as it shrugged off weak trade data** to recover recent losses. **In 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:** 2.8150 (R1), 2.8200 (R2), 2.8250 (R3)
- **Key supports:** 2.8085 (S1), 2.8050 (S2), 2.8020 (S3)
- **Expected range for the day:** 2.8020– 2.8250

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

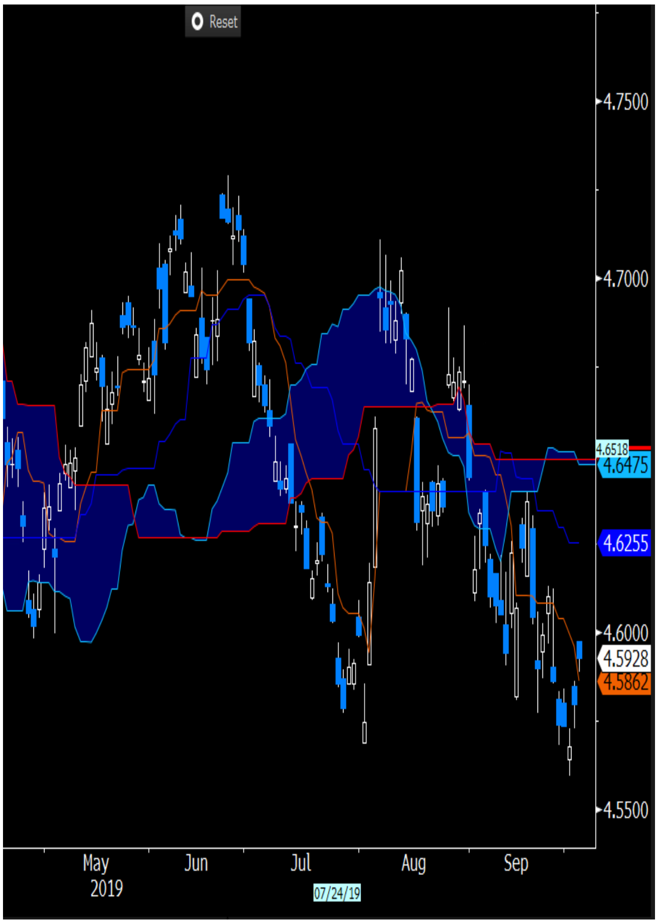
Indicative EURUSD 1.0961



Source: Bloomberg

- EURUSD opened unchanged at 1.0959 today. **Daily outlook bullish.**
- **Weekly outlook neutral to slightly bullish and monthly outlook bearish.**
- **EUR** continued to take advantage of weak US data to **firm up against the USD, closing 0.24% higher at 1.0959. The short-term outlook is bullish** as EUR looks likely to challenge the 1.0960 resistance amidst broad-based dollar weakness. Key driver is tonight's US ISM non-manufacturing index. The single currency's medium-term outlook remains tied to the ongoing worries over the Eurozone's dismal economic state, and is expected to weaken as the ECB restarts its APP program in November.
- **Key resistances:** 1.0970 (R1), 1.0980 (R2), 1.0990 (R3)
- **Key supports:** 1.0960 (S1), 1.0950 (S2), 1.0940 (S3)
- **Expected range for the day:** 1.0940-1.0980

Indicative EURMYR 4.5928



Source: Bloomberg

- EURMYR opened 0.38% higher at 4.5974 today. **Daily outlook bullish.**
- **Weekly outlook bullish and monthly outlook bearish.**
- **EURMYR is expected to trade on a stronger note today as the euro continued to firm up overnight on 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:** 4.6000 (R1) 4.6100 (R1), 4.6200 (R3)
- **Key supports:** 4.5900 (S1), 4.5800 (S2), 4.5700 (S3)
- **Expected range for the day:** 4.5900– 4.61000

** 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