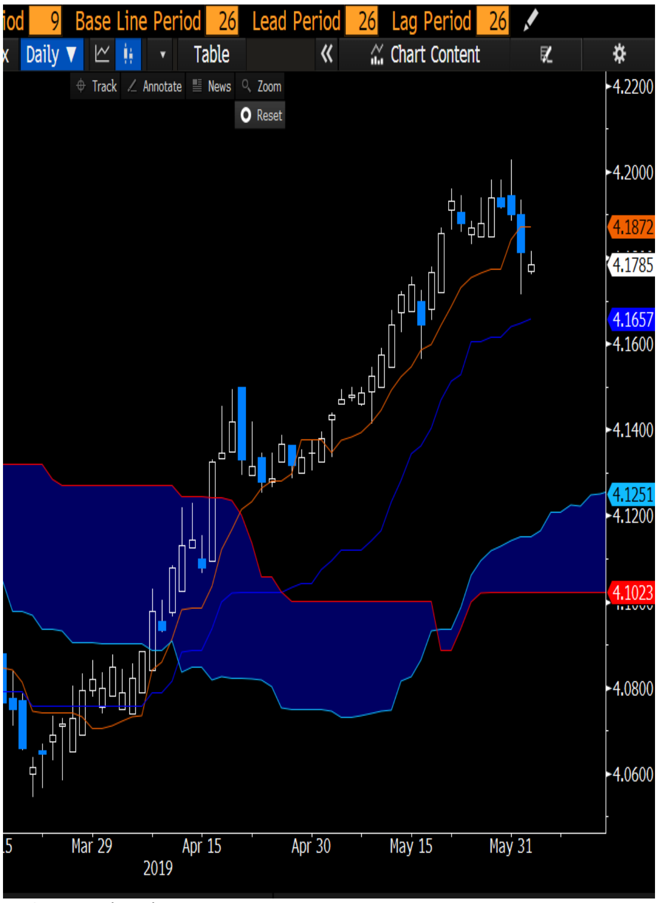
June 4, 2019

Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

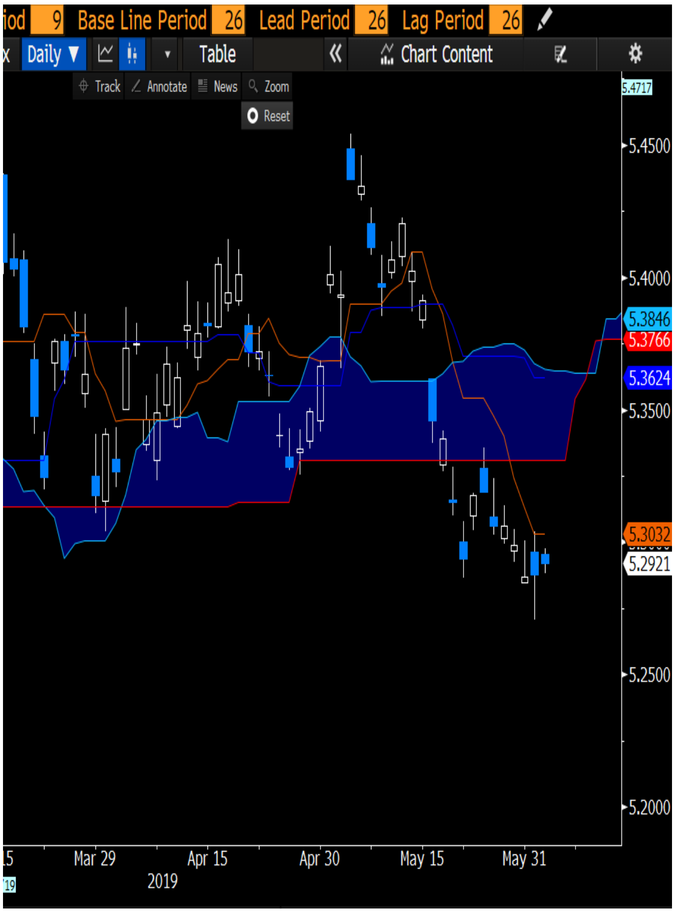
Indicative USDMYR 4.1790



Source: Bloomberg

- USDMYR opened 0.10% lower at 4.1770 as USD got sold across the board. **Daily outlook bearish.**
- **Weekly and monthly outlook bullish**.
- **MYR turns bullish** as prolonged trade and inflation worries have turned Fed Bullard's policy stance dovish with him commenting that a rate cut may be needed soon to sustain growth. This accelerated USD sales across the board including USDMYR, however, a close below 4.15 is needed to negate the current uptrend.
- **Key resistances:** 4.1850 (R1), 4.1900 (R2), 4.1950 (R3)
- **Key supports:** 4.1750 (S1), 4.1700 (S2), 4.1650 (S3)
- **Expected range for the day:** 4.1700– 4.1850

Indicative GBPMYR 5.2930

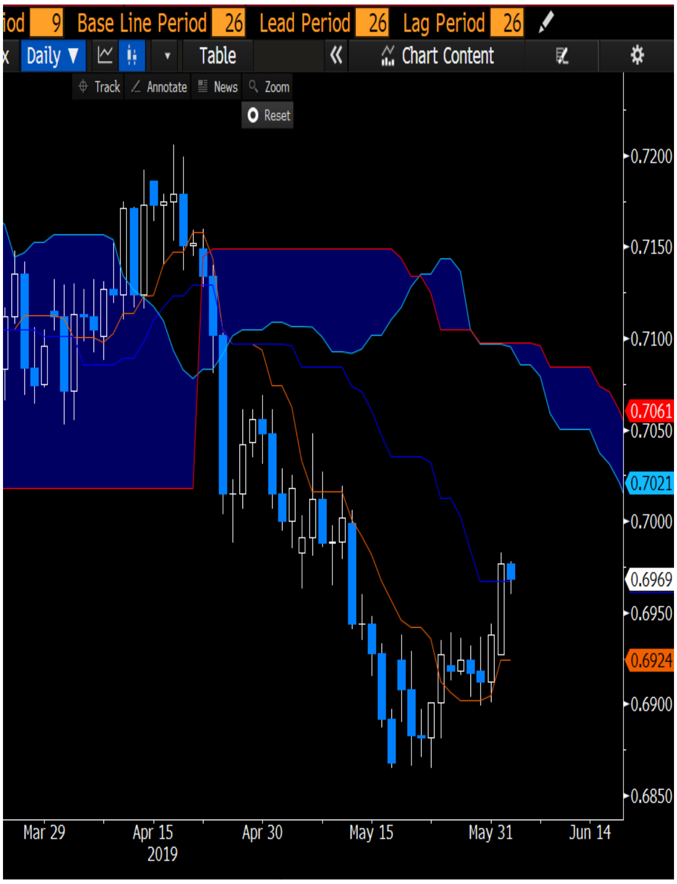


Source: Bloomberg

- GBPMYR opened 0.14% higher at 5.2954 today. **Daily outlook neutral to slightly bearish**.
- **Weekly outlook bearish and monthly outlook neutral**.
- We remain bearish GBP over the medium term with Brexit worries still weighing. Adding weight to the pair in the short term is the USDMYR component as dovish comments by Fed Bullard triggered board USD weakness which dragged the pair lower.
- **Key resistances**: 5.3000 (R1), 5.3200 (R2), 5.3400 (R3)
- **Key supports**: 5.2700 (S1), 5.2500 (S2), 5.2300 (S3)
- **Expected range for the day:** 5.2750 – 5.3050

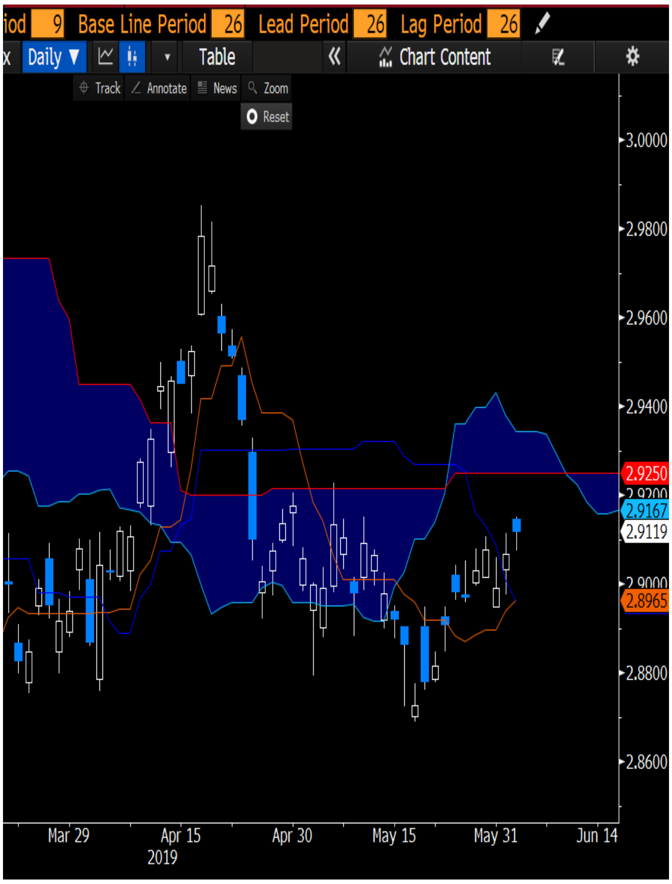
** levels are quoted based on spot prices at time of writing, bid/ask prices may vary*

Indicative AUDUSD 0.6970



Source: Bloomberg

Indicative AUDMYR 2.9130



Source: Bloomberg

- AUDUSD opened unchanged at 0.6977 today. **Daily outlook bearish** on expected RBA cut**.**
- **Weekly and monthly outlook bearish**.
- **We remain bearish on AUD** on an expected RBA rate cut within hours despite the broad USD selling off and giving commodity currencies a boost. Pair is expected to be volatile in the short term as it gets pushed and pulled against conflicting headlines and events.
- **Key resistances:** 0.7000 (R1), 0.7025 (R2), 0.7050 (R3)
- **Key supports:** 0.6950 (S1), 0.6925 (S2), 0.6900 (S3)
- **Expected range for the day:** 0.6900 – 0.7000

- AUDMYR opened 0.28% higher at 2.9147 today. **Daily outlook bearish** on expected RBA cut**.**
- **Weekly and monthly outlook bearish**.
- Broad-based weakness in USD gave AUD component a boost higher overnight while USDMYR component playing catch up at time of writing lending the pair some weight. We have RBA rate decision coming in later which might further add weight to the pair.
- **Key resistances:** 2.9150 (R1), 2.9200 (R2), 2.9400 (R3)
- **Key supports:** 2.9000 (S1), 2.8900 (S2), 2.8800 (S3)
- **Expected range for the day:** 2.8900 – 2.9200

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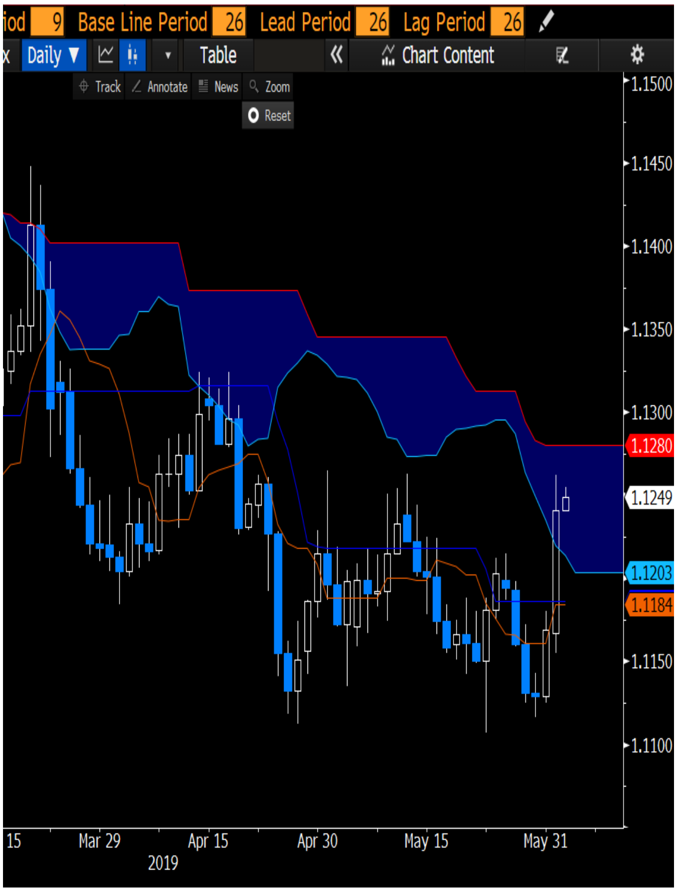
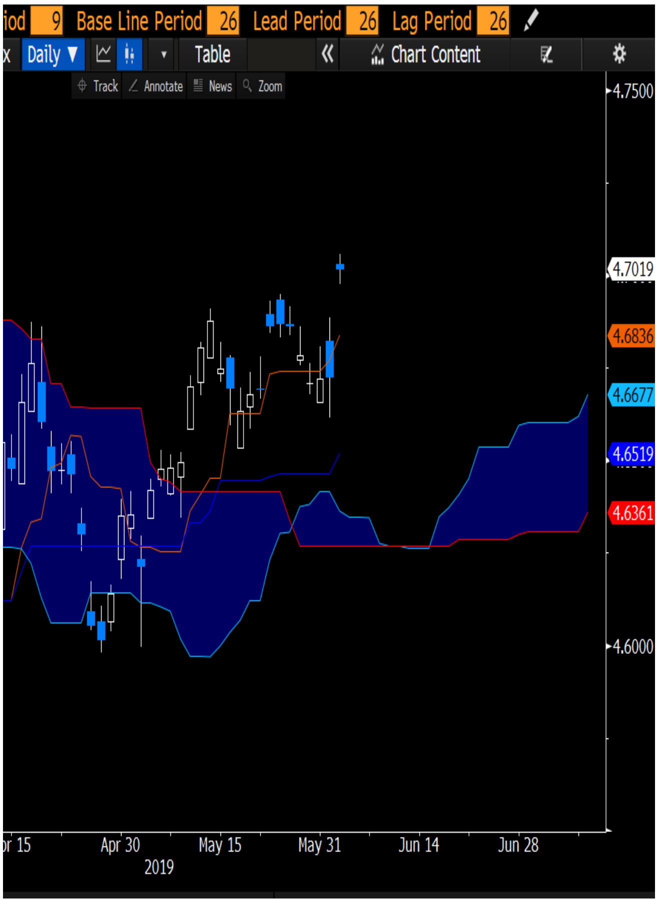
Indicative EURUSD 1.1250



Source: Bloomberg

- EURUSD opened unchanged at 1.1241 today. **Daily outlook bullish.**
- **Weekly outlook neutral and monthly outlook bearish**.
- USD sales across the board gave EUR a boost past 1.1230 resistance and into the Ichimoku cloud. Fed Bullard's dovish comments changing the landscape as prolonged trade and inflation worries are closing the interest rate differential gap likely to lead EUR higher in the medium term.
- **Key resistances:** 1.1275 (R1), 1.1300 (R2), 1.1325 (R3)
- **Key supports:** 1.1225 (S1), 1.1200 (S2), 1.1175 (S3)
- **Expected range for the day:** 1.1230 – 1.1280

Indicative EURMYR 4.7005



Source: Bloomberg

- EURMYR opened 0.65% higher at 4.7030 today. **Daily outlook neutral to mildly bearish.**
- **Weekly outlook bullish, monthly outlook bearish**.
- EUR component got a boost overnight by broadly weaker USD across the board. USDMYR component now playing catch up at time of writing lending some weight to the pair. Pair has touched and bounced off 200 DMA which is currently continuing to act as resistance.
- **Key resistances:** 4.7050 (R1) 4.7100 (R1), 4.7200 (R3)
- **Key supports:** 4.6900 (S1), 4.6800 (S2), 4.6700 (S3)
- **Expected range for the day:** 4.6800– 4.7050

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