## **Global Markets Research**

### **FX Strategy**



## Daily Currency Outlook – 11am edition

Source: Bloomberg

- USDMYR opened 0.24% lower at 4.2100. Daily outlook bullish.
- Weekly outlook bullish and monthly outlook bearish.
- We are bullish USDMYR over the short term as USD/AXJ is supported by overall USD strength and CNH weakness. We remain bearish USDMYR over the medium term as the prolonged trade woes and most recently a contraction in the US manufacturing sector might lead to a potential rate cut by the Fed. Futures are pointing to 100% chance of a cut in the Fed Funds rate this month.
- Key resistances: 4.2200 (R1), 4.2225 (R2), 4.2250 (R3)
- Key supports: 4.2125 (S1), 4.2100 (S2), 4.2050 (S3)
- Expected range for the day: 4.2100 4.2200
- \* levels are quoted based on spot prices at time of writing, bid/ask prices may vary



Source: Bloomberg

- GBPMYR opened 0.79% higher at 5.1027 today. Daily outlook bearish.
- Weekly outlook and monthly outlook bearish.
- We are bearish GBP as PM Boris Johnson announced his intention to call for a snap election after lawmakers defeated him in an early stage of an attempt to pass a law preventing him from taking Britain out of the EU without a deal. We remain bearish GBP for the foreseeable future in view of a looming snap election that could heighten UK political uncertainties
- Key resistances: 5.1050 (R1), 5.1100 (R2), 5.1250 (R3)
- Key supports: 5.0800 (S1), 5.0700 (S2), 5.0500 (S3)
- Expected range for the day: 5.0700-5.1100



# 0.7100 0.7000 0.6900 0.6880 0.6900 0.6880 0.6880 0.6880 0.6780 0.6780 0.6780 0.6780 0.6780 0.6780 0.6780

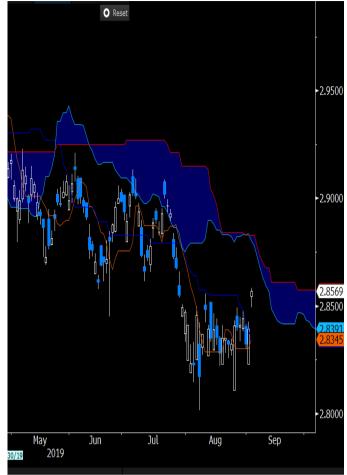
#### Indicative AUDUSD 0.6780

Source: Bloomberg

- AUDUSD opened unchanged at 0.6760 today. Daily outlook bullish.
- Weekly and monthly outlook bearish.
- We turn bullish on AUD today as Australia 2Q GDP growth matched expectations. In the medium term, we remain bearish AUD as risk sentiment falls amidst dismal global growth outlook while lower commodity prices are expected to weigh on AUD.
- Key resistances: 0.6800 (R1), 0.6830 (R2), 0.6880 (R3)
- Key supports: 0.6750 S1), 0.6700 (S2), 0.6650 (S3)
- Expected range for the day: 0.6700- 0.0.6830

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

#### Indicative AUDMYR 2.8569



Source: Bloomberg

- AUDMYR opened 0.54% higher at 2.8544 today. Daily outlook bullish.
- Weekly and monthly outlook bearish.
- We turn bullish on the pair today supported by AUD strength in view that Australia 2Q GDP growth matched expectations. We remain bearish on the pair over the medium term as continuously dim global growth outlook is likely to weigh on the pair.
- Key resistances: 2.8575 (R1), 2.8600 (R2), 2.8650 (R3)
- Key supports: 2.8460 (S1), 2.8350 (S2), 2.8230 (S3)
- Expected range for the day: 2.8500- 2.8575



#### Indicative EURUSD 1.0979



Source: Bloomberg

- EURUSD opened unchanged at 1.0974 today. Daily outlook bullish.
- Weekly and monthly outlook bearish.
- We are bullish EUR today as the contraction of US ISM manufacturing PMI is expected to support the EUR and drive its recovery. In the short term, we remain bearish EUR, heading into September where the ECB is expected to introduce an aggressive stimulus package to support growth and a faltering inflation in the euro area.
- Key resistances: 1.0980 (R1), 1.1000 (R2), 1.1020 (R3)
- Key supports: 1.0960(S1), 1.0920 (S2), 1.0900 (S3)
- Expected range for the day: 1.0950-1.1000

Indicative EURMYR 4.6268



Source: Bloomberg

- EURMYR opened 0.28% higher at 4.6307 today. Daily outlook bullish.
- Weekly and monthly outlook bearish.
- We are bullish on the pair today mainly on EUR strength. We remain bearish on the pair over the medium term as the ECB is expected to ease more aggressively via the introduction of large stimulus package this month.
- Key resistances: 4.6450 (R1) 4.6600 (R1), 4.6700 (R3)
- Key supports: 4.6100 (S1), 4.6000 (S2), 4.5800 (S3)
- Expected range for the day: 4.6000 4.6350

 $^{\ast}$  levels are quoted based on spot prices at time of writing, bid/ask prices may vary



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