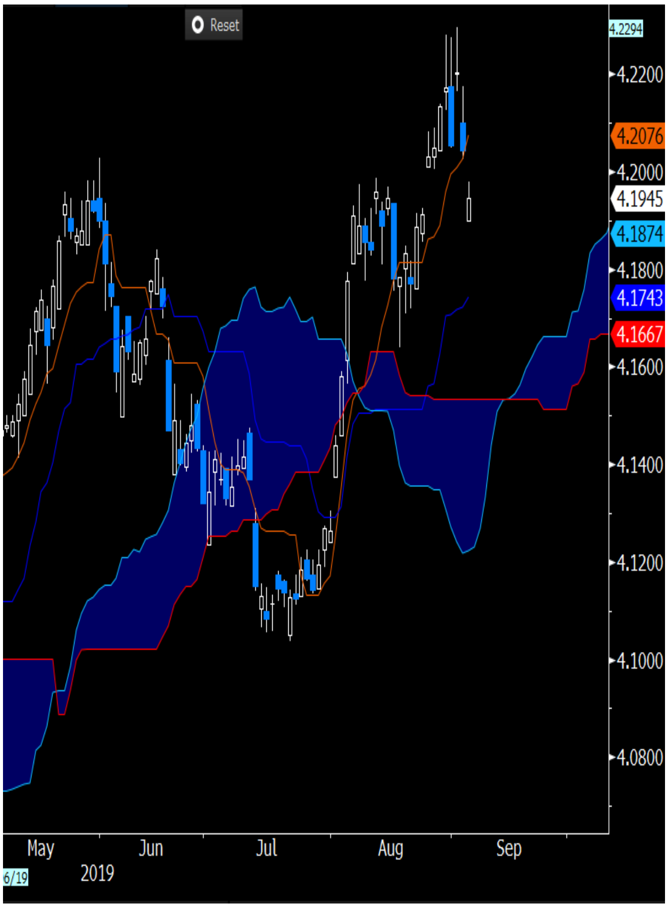
September 5, 2019

Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

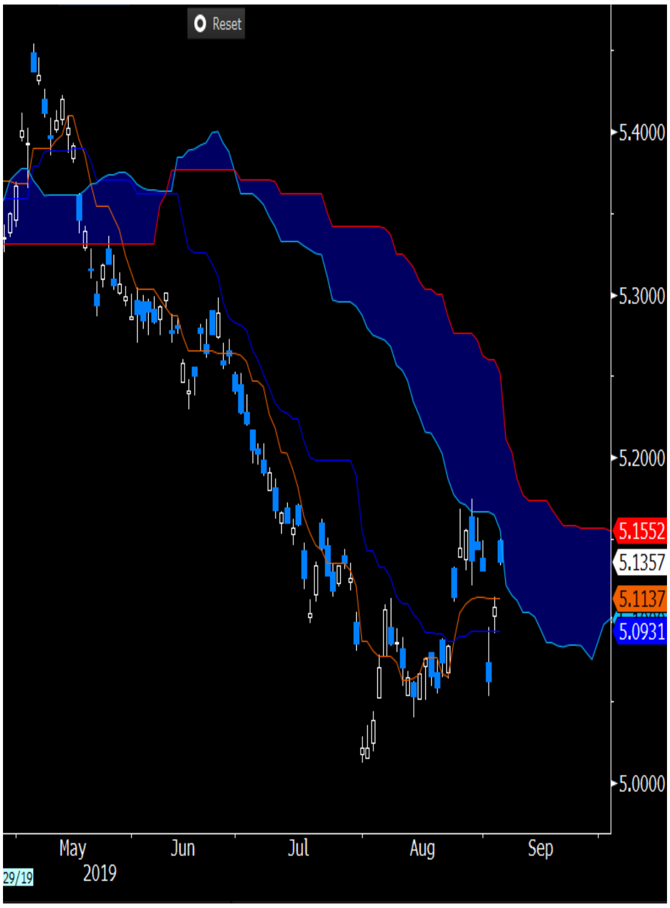
Indicative USDMYR 4.1945



Source: Bloomberg

- USDMYR opened 0.34% lower at 4.2045. **Daily outlook bearish.**
- **Weekly outlook bullish and monthly outlook bearish.**
- MYR is expected to continue benefitting today from the extended dollar weakness as risk sentiment returned following positive news in Hong Kong and Britain. **In the short term, we are still bullish USDMYR** as USD/AXJ is expected to be supported by overall USD strength and CNH weakness. **In the medium term, we remain bearish USDMYR** as unresolved US-China trade dispute and weak ISM manufacturing data might lead to a potential rate cut by the Fed this month.
- **Key resistances:** 4.2000 (R1), 4.2050 (R2), 4.2100 (R3)
- **Key supports:** 4.1900 (S1), 4.1850 (S2), 4.1800 (S3)
- **Expected range for the day:** 4.1850- 4.2000

Indicative GBPMYR 5.1357

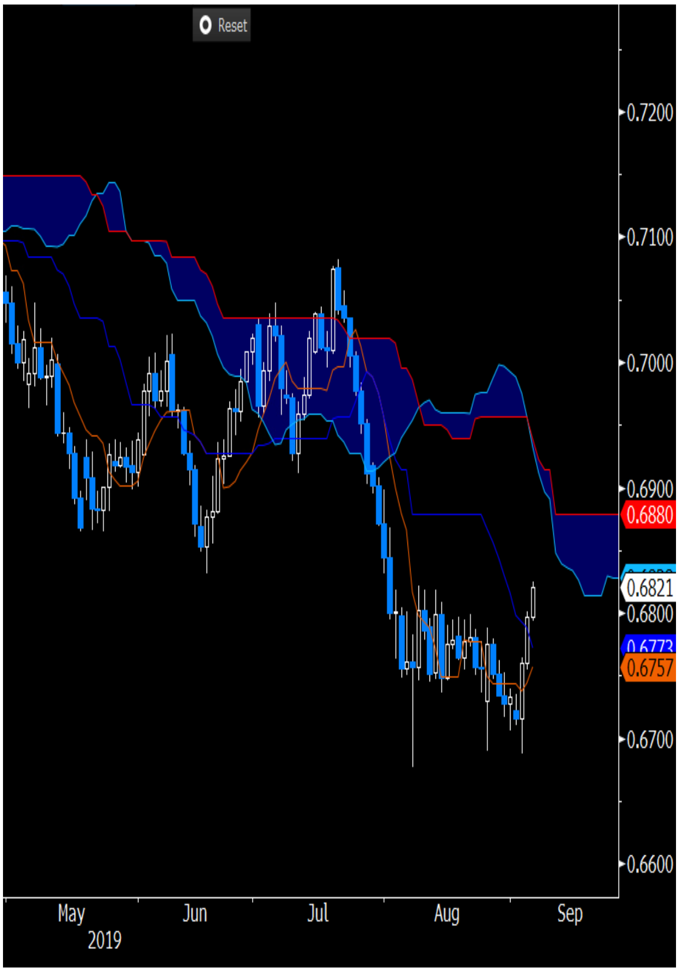


Source: Bloomberg

- GBPMYR opened 0.79% higher at 5.1488 today. **Daily outlook bearish.**
- **Weekly outlook and monthly outlook bearish**.
- We are bearish on the currency pair today mainly on expected MYR strength as GBP is likely to trade neutral on the lack of catalysts and major events. We are still bearish GBP for the near future on persistent Brexit uncertainties as more unexpected Brexit headlines could still unfold and weigh down on the sterling.
- **Key resistances**: 5.1550 (R1), 5.1635 (R2), 5.1745 (R3)
- **Key supports**: 5.1135 (S1), 5.0930 (S2), 5.0700 (S3)
- **Expected range for the day: 5**.0900– 5.1550

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

Indicative AUDUSD 0.6821



Source: Bloomberg

- AUDUSD opened unchanged at 0.6797 today. **Daily outlook bullish.**
- **Weekly and monthly outlook bearish.**
- **We turn bullish on AUD today on a solid Australia trade report driven by stronger trade with China. In the medium term, we remain bearish AUD** as risk sentiment could fall amidst dismal global growth outlook while lower commodity prices are expected to weigh on AUD.
- **Key resistances:** 0.6850 (R1), 0.6880 (R2), 0.6900 (R3)
- **Key supports:** 0.6800 S1), 0.6750 (S2), 0.6700 (S3)
- **Expected range for the day:** 0.6800- 0.0.6880

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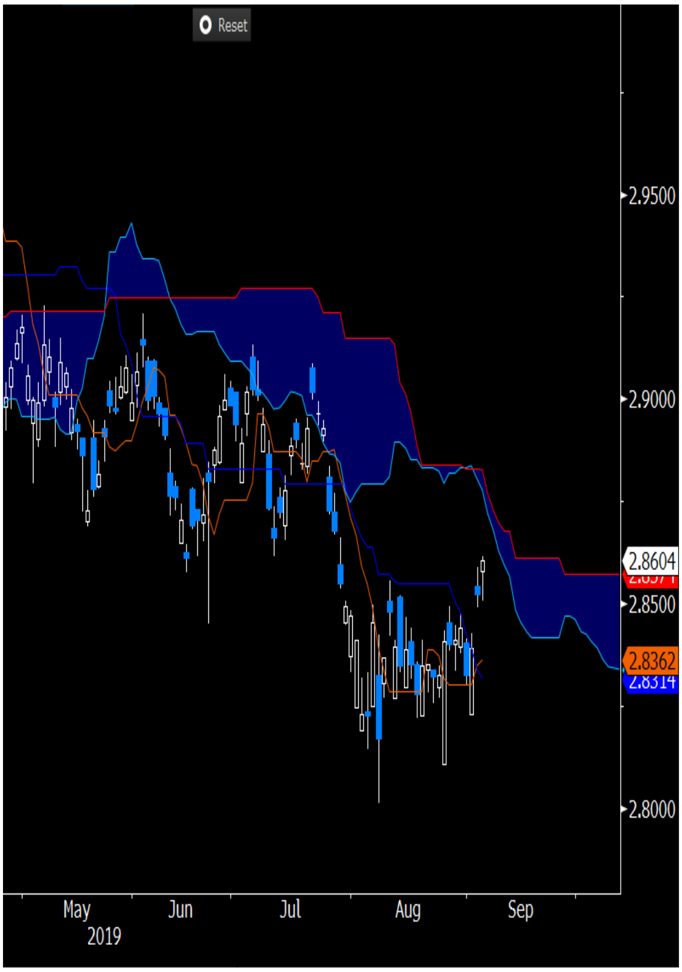
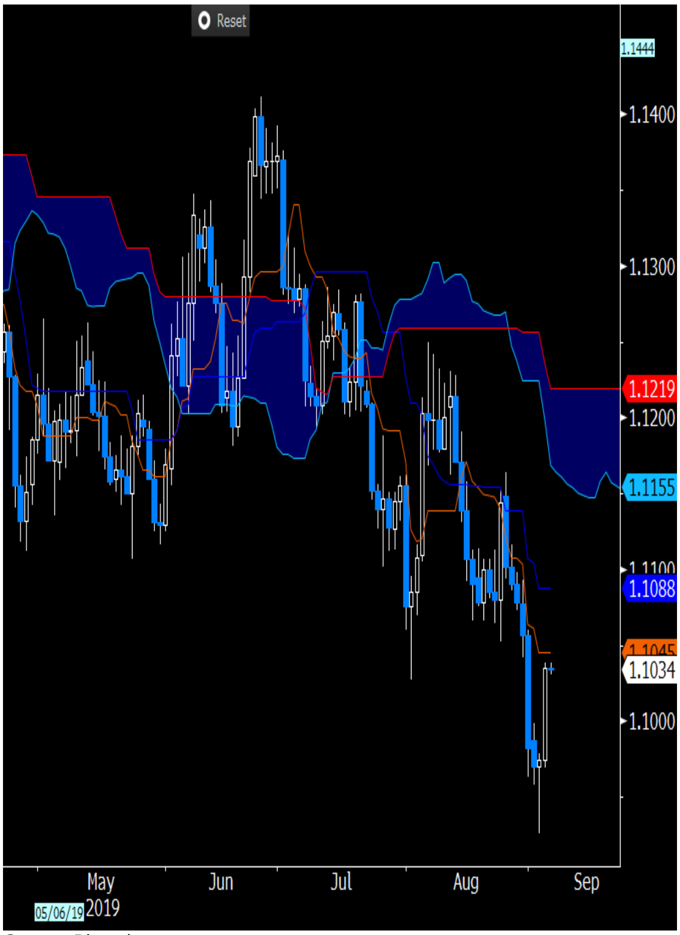
Indicative AUDMYR 2.8604



Source: Bloomberg

- AUDMYR opened 0.20% higher at 2.8523 today. **Daily outlook bullish.**
- **Weekly and monthly outlook bearish.**
- **We turn bullish on the pair today supported by AUD strength** in view of a solid Australia trade report. **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:** 2.8650 (R1), 2.8740 (R2), 2.8800 (R3)
- **Key supports:** 2.8460 (S1), 2.8350 (S2), 2.8230 (S3)
- **Expected range for the day:** 2.8460- 2.8650

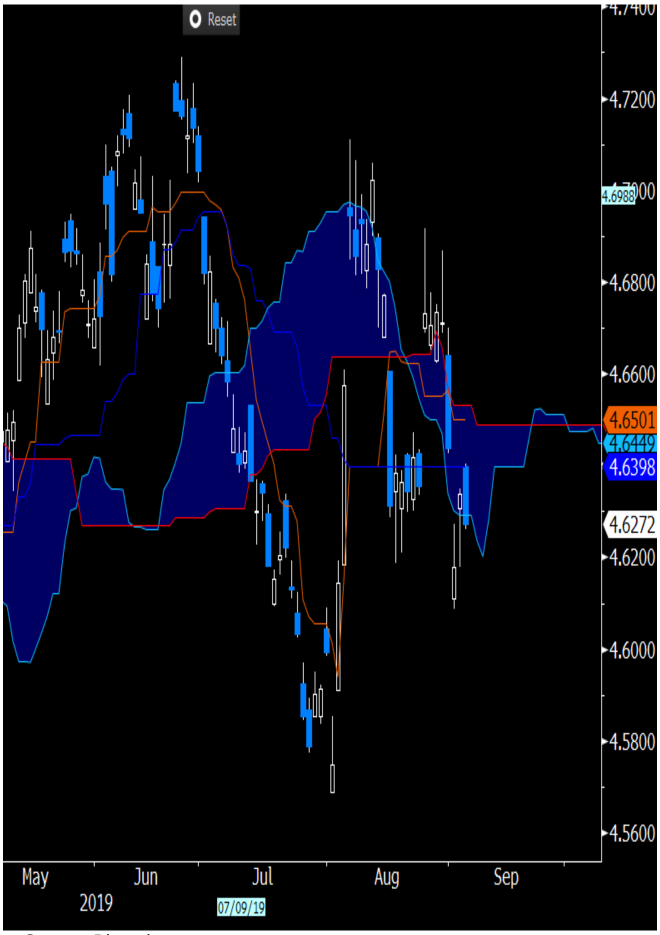
Indicative EURUSD 1.1034



Source: Bloomberg

- EURUSD opened unchanged at 1.1035 today. **Daily outlook neutral.**
- **Weekly and monthly outlook bearish.**
- **We are neutral on EUR today** as the lack of catalysts and return of risk-on mode might see demand for EUR struggling to pick up. **In the medium term, we remain bearish EUR,** heading into next week's ECB meeting where the central bank is expected to introduce an aggressive stimulus package and potentially cut its already negative key deposit rate to support growth and faltering inflation in the euro area.
- **Key resistances:** 1.1045 (R1), 1.1050 (R2), 1.1065 (R3)
- **Key supports:** 1.1020 (S1), 1.1000 (S2), 1.0950 (S3)
- **Expected range for the day:** 1.1020 - 1.1050

Indicative EURMYR 4.6272



Source: Bloomberg

- EURMYR opened 0.13% higher at 4.6397 today. **Daily outlook bearish.**
- **Weekly and monthly outlook bearish.**
- **We are bearish on the pair today** mainly on MYR strength as EUR trades neutral after a surge against the USD overnight. **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 and possibly a cut in its key deposit rate this month.
- **Key resistances:** 4.6400 (R1) 4.6500 (R1), 4.6600 (R3)
- **Key supports:** 4.6200 (S1), 4.6100 (S2), 4.6000 (S3)
- **Expected range for the day:** 4.6100 – 4.6400

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