

Daily Currency Outlook – 11am edition

Indicative USDMYR 4.1737


Source: Bloomberg

- USDMYR opened slightly lower at 4.1727 today. **Daily outlook neutral.**
- **Weekly and monthly outlook bullish.**
- **We continue to expect ringgit to trade around recent ranges of 4.1650-4.1850 today** while markets await more concrete development regarding US-China mini trade deal. **Short term outlook is bearish** as the dollar will likely firm up when the Fed keeps rate unchanged next week. Medium term outlook is bearish supported by solid 4Q US data especially in the consumer/retail sector.
- **Key resistances:** 4.1800 (S1), 4.1850 (S2), 4.1900 (S3)
- **Key supports:** 4.1700 (R1), 4.1650 (R2), 4.1600 (R3)
- **Expected range for the day:** 4.1650-4.1850

Indicative GBPMYR 5.4724


Source: Bloomberg

- GBPMYR opened 0.41% higher at 5.4741 today. **Daily outlook bullish.**
- **Weekly outlook bullish and monthly outlook will be headlines driven.**
- **We are bullish on GBPMYR cross today** as the overnight spike in the sterling spilled over to today's session, supported by firmer expectation of a Tories win and that Britain would avoid a hung parliament following next week's election. **Short term outlook is neutral and likely remain volatile, driven by next week's election outcome** of which markets have priced in a Tory win.
- **Key resistances:** 5.4730 (R1), 5.4750 (R2), 5.4800 (R3)
- **Key supports:** 5.4520 (S1), 5.4280 (S2), 5.4100 (S3)
- **Expected range for the day:** 5.4600 – 5.4800

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

Indicative AUDUSD 0.6842



Source: Bloomberg

- AUDUSD opened unchanged at 0.6849 today. **Daily outlook neutral to slightly bearish.**
- **Weekly and monthly outlook slightly bullish.**
- AUD dropped around 20pips from morning high after retail sales missed expectations alongside a smaller trade surplus but managed to recover 10pips as of writing. **Daily outlook neutral to slightly bearish**, conflicted by weaker data and better trade optimism. **Short-to-medium term outlook is still slightly bullish**, expecting recovery in the pair with US-China trade-related headlines posting as downside risk.
- **Key resistances:** 0.6860 (R1), 0.6880 (R2), 0.6900 (R3)
- **Key supports:** 0.6830 (S1), 0.6800 (S2), 0.6780 (S3)
- **Expected range for the day:** 0.6820-0.6860

Indicative AUDMYR 2.8560



Source: Bloomberg

- AUDMYR opened 0.39% higher at 2.8600 today. **Daily outlook neutral to slightly bullish.**
- **Weekly outlook bullish and monthly outlook slightly bullish.**
- **We are neutral to slightly bullish on AUDMYR on higher opening as** Aussie dollar was torn between a miss in retail sales figure and a recovery in risk sentiment that tends to favour the AUD. **Short-to-medium term outlook is still slightly bullish**, expecting recovery in the pair with US-China trade-related headlines posting as downside risk.
- **Key resistances:** 2.8650 (R1), 2.8700 (R2), 2.8750 (R3)
- **Key supports:** 2.8500 (S1), 2.8450 (S2), 2.8400 (S3)
- **Expected range for the day:** 2.8500 – 2.8625

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

Indicative EURUSD 1.1084



Source: Bloomberg

- EURUSD opened unchanged at 1.1078 today. **Daily outlook slightly bullish.**
- **Weekly and monthly outlook bearish.**
- **EUR is still slightly bullish**, but is likely consolidating around 1.1080 handle ahead of tomorrow's US job report. **Medium term outlook is still bearish**, dragged down by dismal growth and inflation outlook (despite a slight improvement in manufacturing PMI) and the ECB's looser monetary policy. We look towards next week's ECB meeting and Christine Lagarde's first press conference for further guidance.
- **Key resistances:** 1.1100 (R1), 1.1120 (R2), 1.1150 (R3)
- **Key supports:** 1.1050 (S1), 1.1020 (S2), 1.1000 (S3)
- **Expected range for the day:** 1.1070- 1.1100

Indicative EURMYR 4.6257



Source: Bloomberg

- EURMYR opened little changed at 4.6275 today. **Daily outlook neutral.**
- **Weekly and monthly outlook bearish.**
- **We are neutral on the EURMYR cross** over the lack of catalysts with both EUR and MYR likely consolidating against the USD around recent ranges ahead of tomorrow's job report. **Medium term outlook is still bearish** as dismal growth and inflation outlook alongside looser monetary policy weigh.
- **Key resistances:** 4.6300 (R1) 4.6400 (R1), 4.6500 (R3)
- **Key supports:** 4.6200 (S1), 4.6100 (S2), 4.6000 (S3)
- **Expected range for the day:** 4.6200 – 4.6400

* 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@hbb.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.