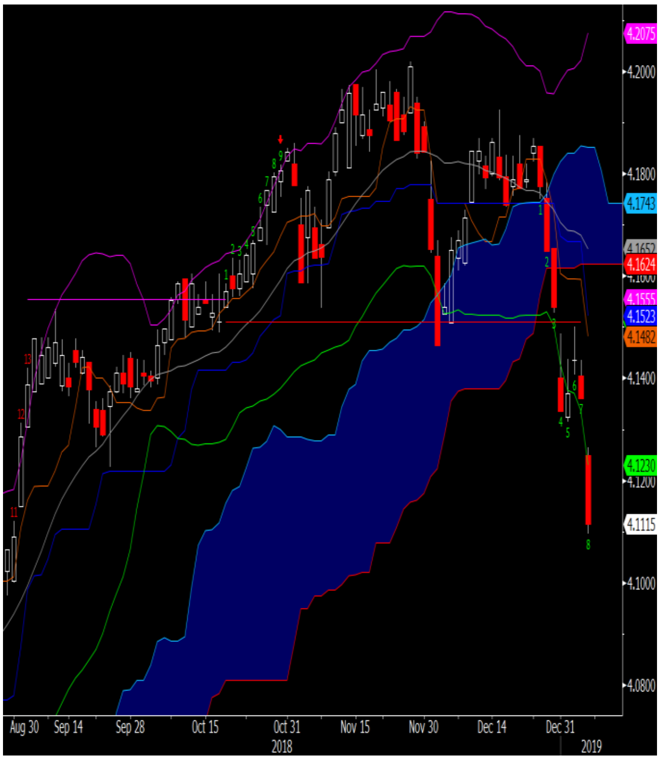
January 7, 2019

Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

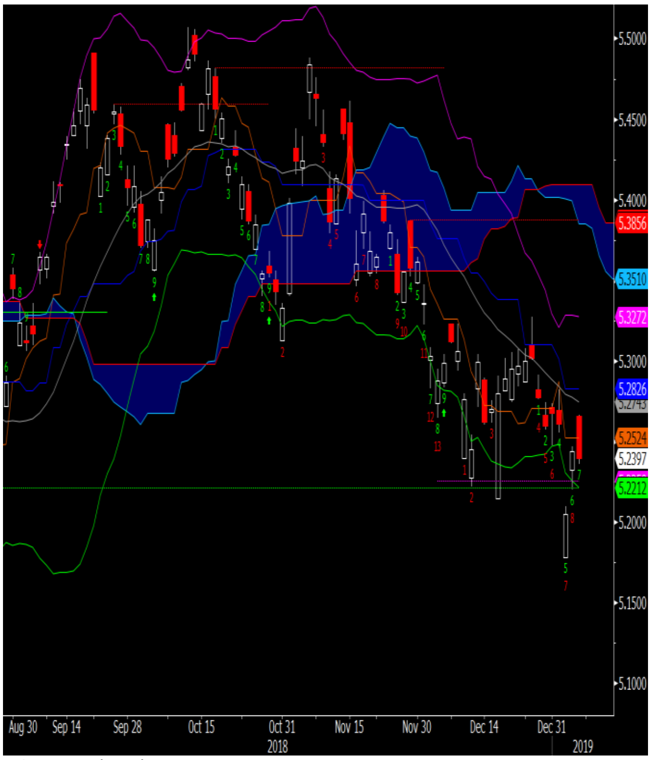
Indicative USDMYR 4.1115



Source: Bloomberg

- USDMYR opened sharply lower today. **Daily outlook bearish** on the back of a soft USD as well as improved risk appetite in the markets.
- **Weekly and monthly outlook bearish**.
- USDMYR has slipped to 4.1230 earlier than we expected. Bearish trend continues to prevail in USDMYR and further losses cannot be ruled out. Caution that losing 4.1200 could expose a drop to 4.1060.
- **Key resistances:** 4.1150 (R1), 4.1185 (R2), 4.1200 (R3)
- **Key supports:** 4.1100 (S1), 4.1085 (S2), 4.1050 (S3)
- **Expected range for the day:** 4.1050 – 4.1265

Indicative GBPMYR 5.2397



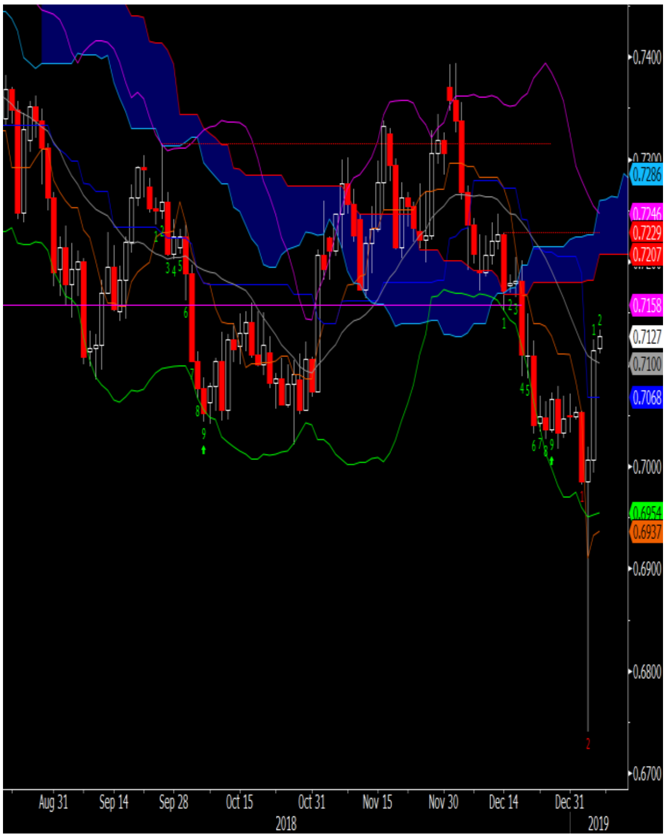
Source: Bloomberg

- GBPMYR opened 219pips higher at 5.2660 today. **Daily outlook neutral** as rally in MYR is likely to narrow the sharply higher opening.
- **Weekly and monthly outlook bullish**.
- Despite a sharp gap up at opening, a bearish trend still prevails and suggests a potential decline to below 5.2050 going forward.
- **Key resistances**: 5.2478 (R1), 5.2524 (R2), 5.2572 (R3)
- **Key supports**: 5.2357 (S1), 5.2324 (S2), 5.2258 (S3)
- **Expected range for the day:** 5.2320 – 5.2665

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

HongLeong Bank

Indicative AUDUSD 0.7127



Source: Bloomberg

- AUDUSD opened 2pips higher at 0.7115 today. **Daily outlook bullish**, buoyed by a weak USD and improving risk appetite in the markets.
- **Weekly and monthly outlook bullish**.
- Caution that after Friday's rally, there may be scope of a modest pullback. But as long as AUDUSD hold above 0.7068, we reckon that upside bias remains intact and likely to extend to test 0.7173.
- **AUDUSD is now unlikely to decline to 0.6950**. Expect a potential advance to 0.7207, otherwise curbed by a close below 0.7080
- **Key resistances:** 0.7149 (R1), 0.7158 (R2), 0.7176 (R3)
- **Key supports:** 0.7100 (S1), 0.7080 (S2), 0.7068 (S3)
- **Expected range for the day:** 0.7100 – 0.7150

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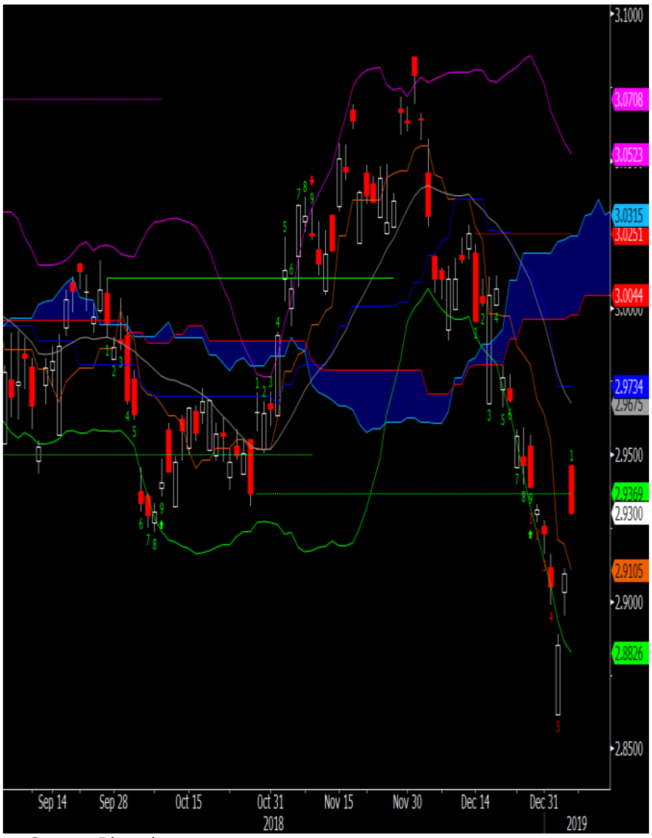
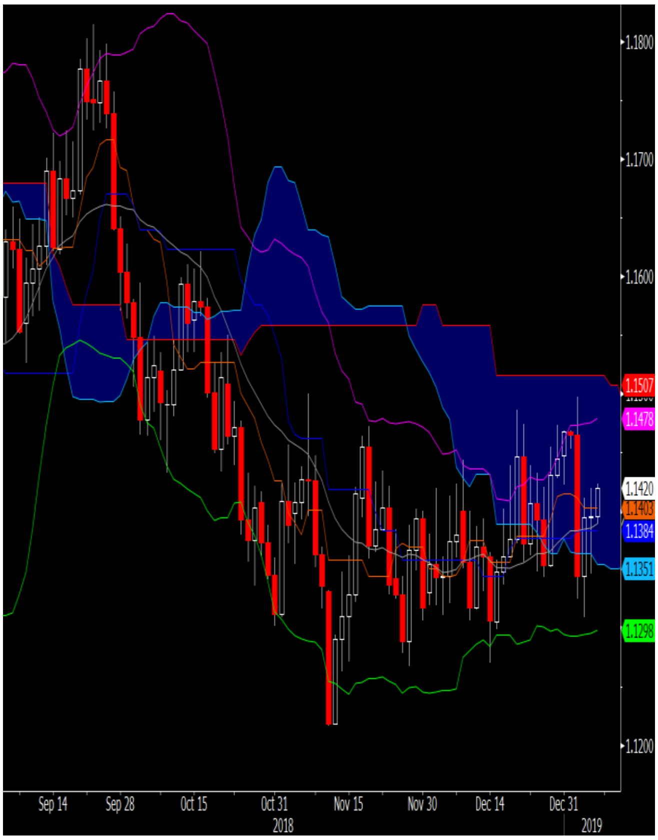
Indicative AUDMYR 2.9300



Source: Bloomberg

- AUDMYR opened 368pips higher at 2.9463 today. **Daily outlook bullish** following the sharply higher opening but expect gains to narrow.
- **Weekly and monthly outlook bullish**.
- Today's sharply higher opening and reduction in downward momentum have altered AUDMYR's technical landscape. AUDMYR is now tilted to the upside, with room to climb higher to circa 2.9675 going forward.
- **Expect a potential advance 2.9675**, otherwise curbed by a close below 2.9230.
- **Key resistances:** 2.9369 (R1), 2.9400 (R2), 2.9472 (R3)
- **Key supports:** 2.9251 (S1), 2.9200 (S2), 2.9105 (S3)
- **Expected range for the day:** 2.9260 – 2.9465

Indicative EURUSD 1.1420



Source: Bloomberg

- EURUSD opened unchanged at 1.1395 today. **Daily outlook bullish** in expectation of a softer USD.
- **Weekly and monthly outlook bullish**.
- Expect upsides to strengthen if Eurozone data outperforms. Early foray above 1.1400 is likely to boost upside strength in EURUSD. Expect a test at 1.1432 soon, above which EURUSD is likely to target 1.1474.
- **Continue to expect a potential advance to 1.1480**, otherwise curbed by a close below 1.1367.
- **Key resistances:** 1.1433 (R1), 1.1453 (R2), 1.1478 (R3)
- **Key supports:** 1.1403 (S1), 1.1388 (S2), 1.1377 (S3)
- **Expected range for the day:** 1.1385 – 1.1450

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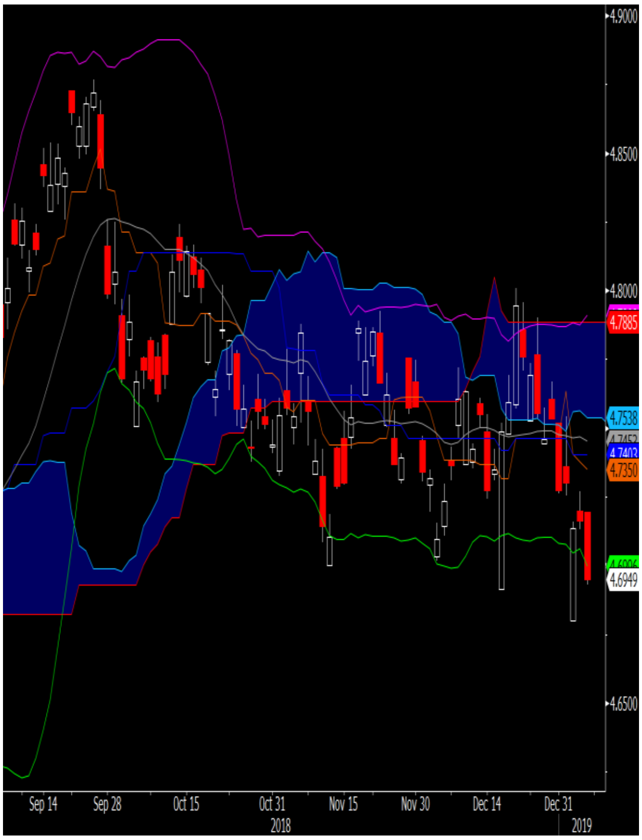
Indicative EURMYR 4.6949



Source: Bloomberg

- EURMYR opened 31pips higher at 4.7194 today. **Daily outlook neutral** in anticipation of a firmer EUR in European session to overturn current losses.
- **Weekly and monthly outlook bullish**.
- Despite a neutral daily outlook, bearish trend still prevails, putting EURMYR at risk of further losses. Bounces higher cannot be ruled out but will likely be limited to circa 4.7200 – 4.7225.
- **Key resistances:** 4.6997 (R1), 4.7050 (R2), 4.7080 (R3)
- **Key supports:** 4.6900 (S1), 4.6885 (S2), 4.6860 (S3)
- **Expected range for the day:** 4.6900 – 4.7200

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