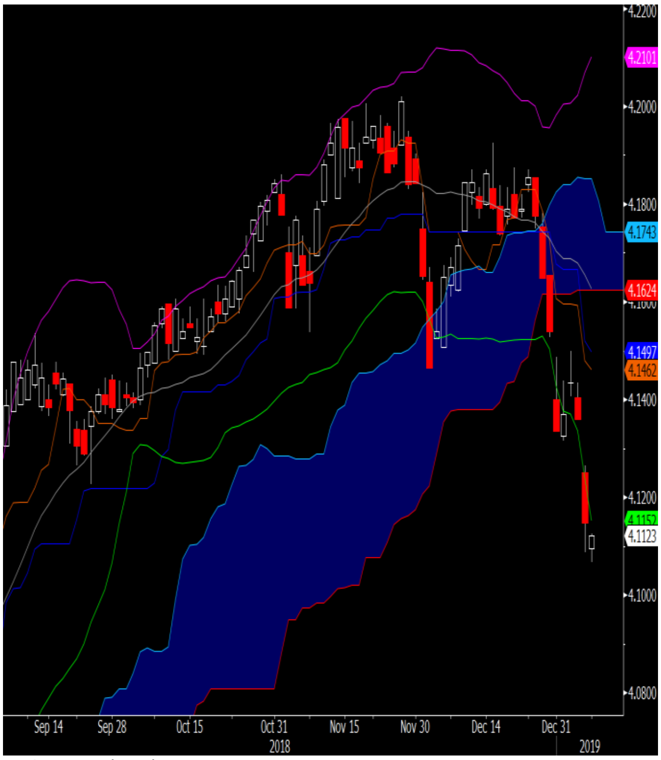
January 8, 2019

Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

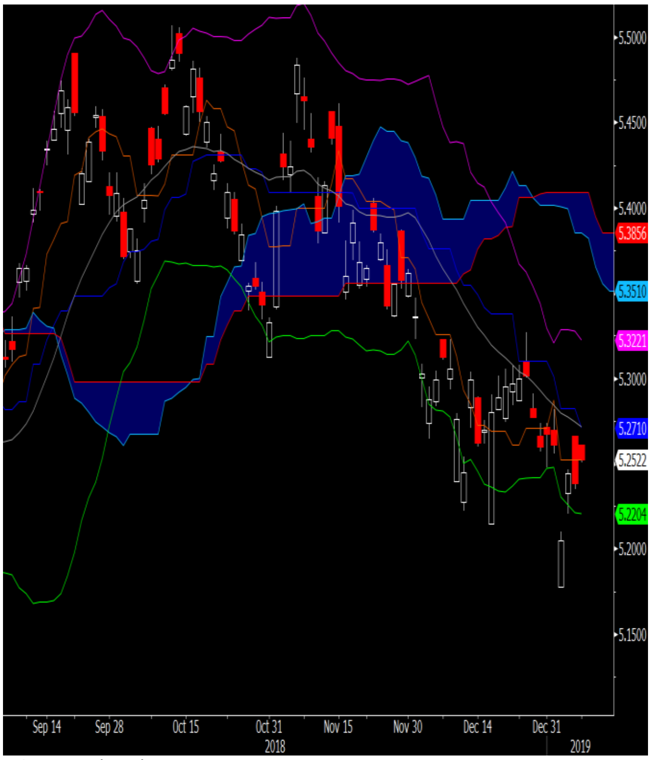
Indicative USDMYR 4.1123



Source: Bloomberg

- USDMYR opened lower today. **Daily outlook neutral** with room for mild losses as MYR is supported by extended risk-on in the markets.
- **Weekly and monthly outlook bearish**.
- Bearish bias prevails and USDMYR remains inclined to further losses, but we caution a bounce higher may be on the horizon as part of a corrective move of the recent losses. We continue to set sights on 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:** 4.1065 – 4.1150

Indicative GBPMYR 5.2522

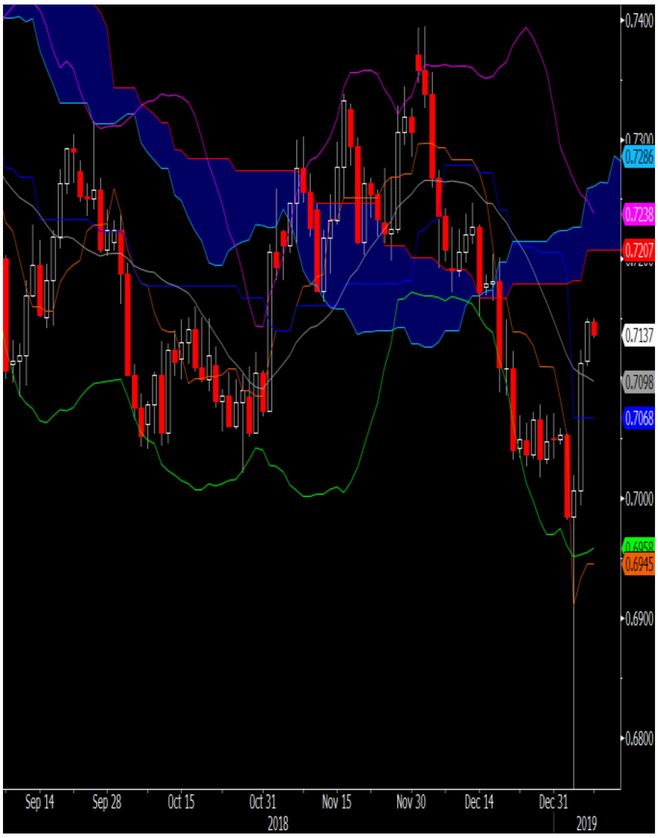


Source: Bloomberg

- GBPMYR opened 224pips higher at 5.2610 today. **Daily outlook bullish** following the sharply higher opening.
- **Weekly and monthly outlook bullish**.
- Signs of a rebound have firmed up and likely to negate a drop below 5.2050. Expect further gains going forward, with room to test 5.2712.
- **Expect a potential climb to 5.2712**, otherwise curbed by a close below 5.2420.
- **Key resistances**: 5.2557 (R1), 5.2601 (R2), 5.2643 (R3)
- **Key supports**: 5.2457 (S1), 5.2400 (S2), 5.2386 (S3)
- **Expected range for the day:** 5.2470 – 5.2615

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

Indicative AUDUSD 0.7137



Source: Bloomberg

- AUDUSD opened unchanged at 0.7148 today. **Daily outlook bullish**, lifted by improving risk appetite in the markets and optimism heading into US-China trade talks.

- **Weekly and monthly outlook bullish**.

- Upward momentum continues to improve, supporting further gains in AUDUSD. Expect a test at 0.7169 – 0.7177 next, above which AUDUSD will be inclined to test 0.7207. A pullback after recent rally is not unreasonable, but should maintain a bullish tone if it holds above 0.7068.

- **Continue to expect a potential advance to 0.7207**, otherwise curbed by a close below 0.7090

- **Key resistances:** 0.7149 (R1), 0.7168 (R2), 0.7176 (R3)

- **Key supports:** 0.7124 (S1), 0.7098 (S2), 0.7090 (S3)

- **Expected range for the day:** 0.7115 – 0.7165

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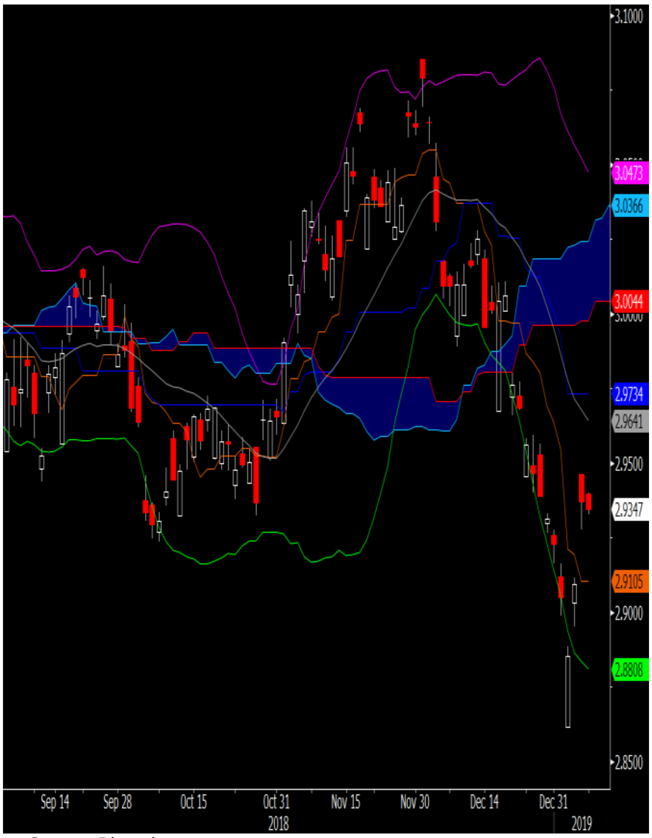
Indicative AUDMYR 2.9347



Source: Bloomberg

- AUDMYR opened 27pips higher at 2.9397 today. **Daily outlook slightly bullish**, with AUD supported by improving risk appetite.

- **Weekly and monthly outlook bullish**.

- AUDMYR remains tilted to the upside, with room to climb higher to circa 2.9675 going forward. We reckon that a dip below 2.9369 in early trade is unlikely sustainable unless AUDMYR subsequently breaks below 2.9224.

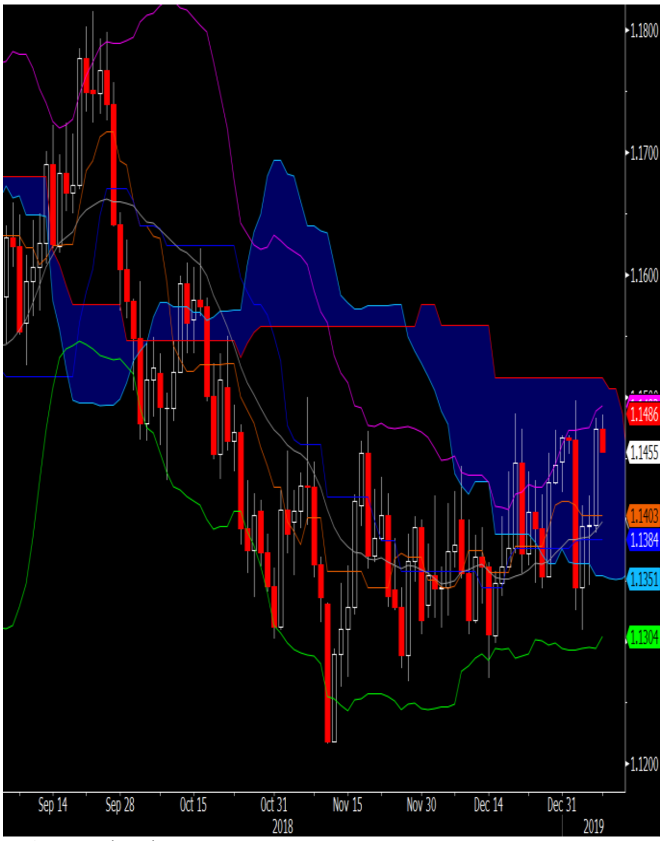
- **Expect a potential advance 2.9675**, otherwise curbed by a close below 2.9224.

- **Key resistances:** 2.9369 (R1), 2.9398 (R2), 2.9455 (R3)

- **Key supports:** 2.9300 (S1), 2.9275 (S2), 2.9224 (S3)

- **Expected range for the day:** 2.9300 – 2.9420

Indicative EURUSD 1.1455



Source: Bloomberg

- EURUSD opened unchanged at 1.1474 today. **Daily outlook bullish** in expectation of a softer USD.
- **Weekly and monthly outlook bullish**.
- Firmer Eurozone data will spur further upsides. EURUSD is bullish in our view but risk of a rejection still remains as long as it has not cleared 1.1486 – 1.1497. Beating this exposes a move to 1.1516 next, otherwise, a return to 1.1403 is highly likely.
- **EURUSD expectedly advance to 1.1480**. Expect a potential advance to 1.1516, otherwise curbed by a close below 1.1418
- **Key resistances:** 1.1476 (R1), 1.1486 (R2), 1.1497 (R3)
- **Key supports:** 1.1422 (S1), 1.1403 (S2), 1.1397 (S3)
- **Expected range for the day:** 1.1435 – 1.1495

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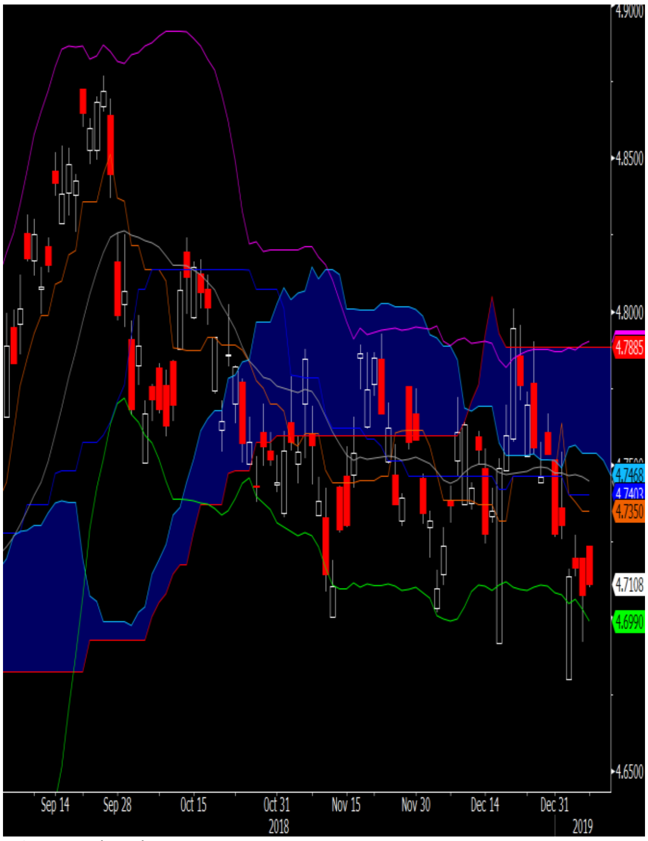
Indicative EURMYR 4.7108



Source: Bloomberg

- EURMYR opened 31pips higher at 4.7194 today. **Daily outlook neutral** in anticipation of a firmer EUR in European session to overturn early 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:** 4.7133 (R1), 4.7159 (R2), 4.7212 (R3)
- **Key supports:** 4.7080 (S1), 4.7050 (S2), 4.7017 (S3)
- **Expected range for the day:** 4.7050 – 4.7235

Hong Leong Bank Berhad
Fixed Income & Economic Research, Global Markets
Level 8, Hong Leong Tower
6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
Tel: 603-2081 1221
Fax: 603-2081 8936
Email: HLMarkets@hlbb.hongleong.com.my