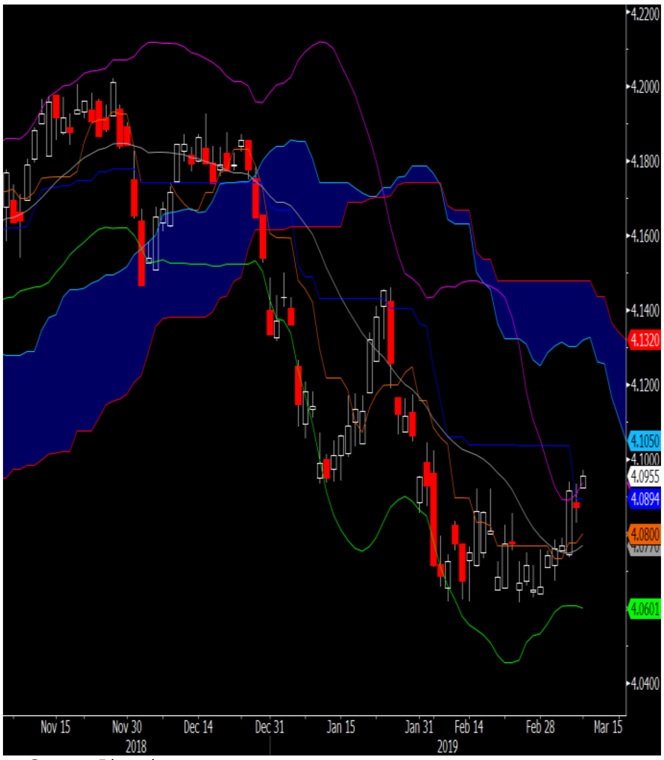
Hong Leong Bank

Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

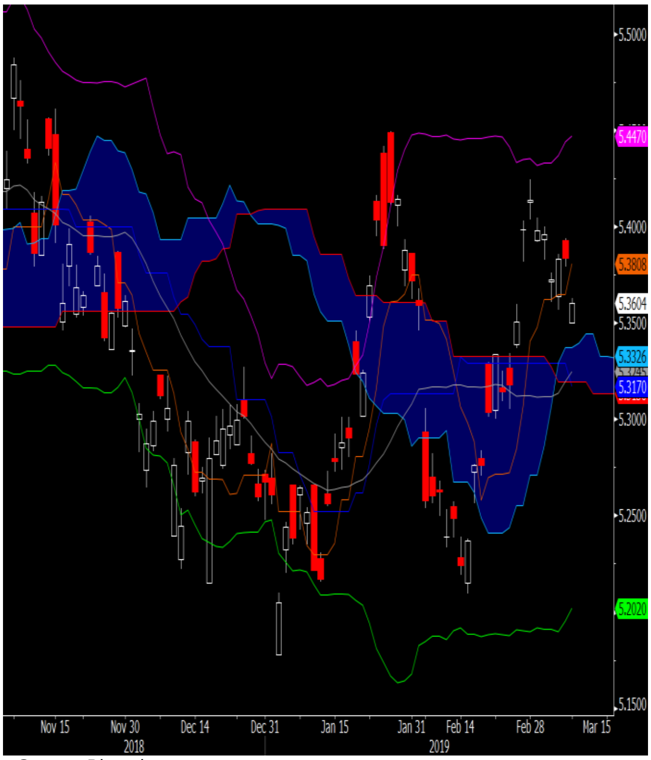
Indicative USDMYR 4.0955



Source: Bloomberg

- USDMYR opened higher today. **Daily outlook slightly bullish** on the back of a firm USD and downside pressure on MYR from risk aversion heading into the week's closure and US labour market data releases.
- **Weekly and monthly outlook bullish**.
- USDMYR remains bullish and continue to target 4.0965. Beating this, USDMYR is likely headed towards 4.1038.
- **Key resistances:** 4.0970 (R1), 4.1000 (R2), 4.1020 (R3)
- **Key supports:** 4.0920 (S1), 4.0900 (S2), 4.0890 (S3)
- **Expected range for the day:** 4.0910 – 4.1000

Indicative GBPMYR 5.3604

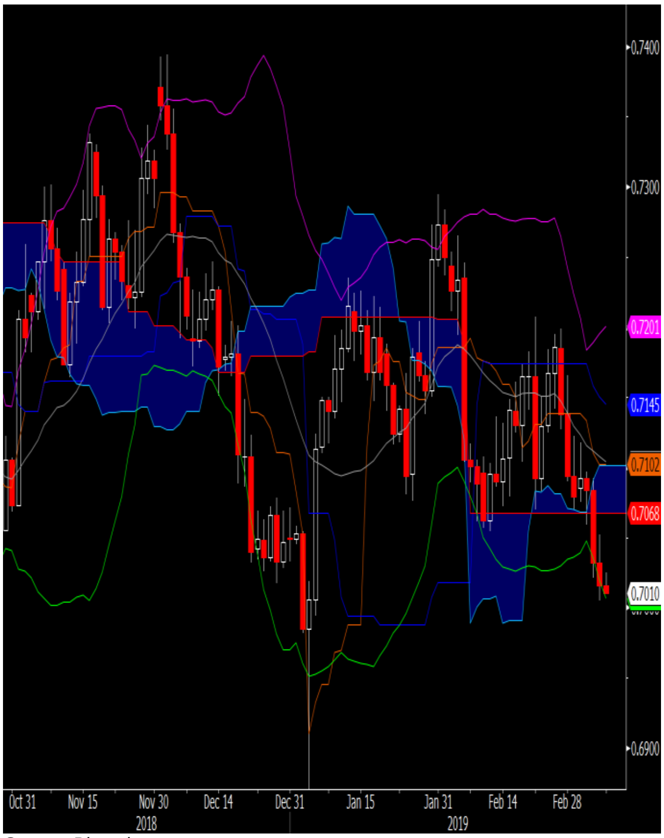


Source: Bloomberg

- GBPMYR opened 335pips lower at 5.3501 today. **Daily outlook bearish**, pressured by the sharply lower opening and potential for GBP to slide further in European session.
- **Weekly and monthly outlook bearish**.
- With upward momentum sliding further and lingering bearish trend, we reckon that GBPMYR is headed lower going forward. There is room to test 5.3376 in the coming week, below which 5.3196 will be targeted.
- **Key resistances**: 5.3635 (R1), 5.3680 (R2), 5.3700 (R3)
- **Key supports**: 5.3560 (S1), 5.3520 (S2), 5.3500 (S3)
- **Expected range for the day:** 5.3500 – 5.3640

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

Indicative AUDUSD 0.7010



Source: Bloomberg

- AUDUSD opened unchanged at 0.7016 today. **Daily outlook slightly bearish**, pressured by lingering risk-off in the markets with room for further losses if China's data disappoints.

- **Weekly outlook bearish, monthly outlook neutral**.

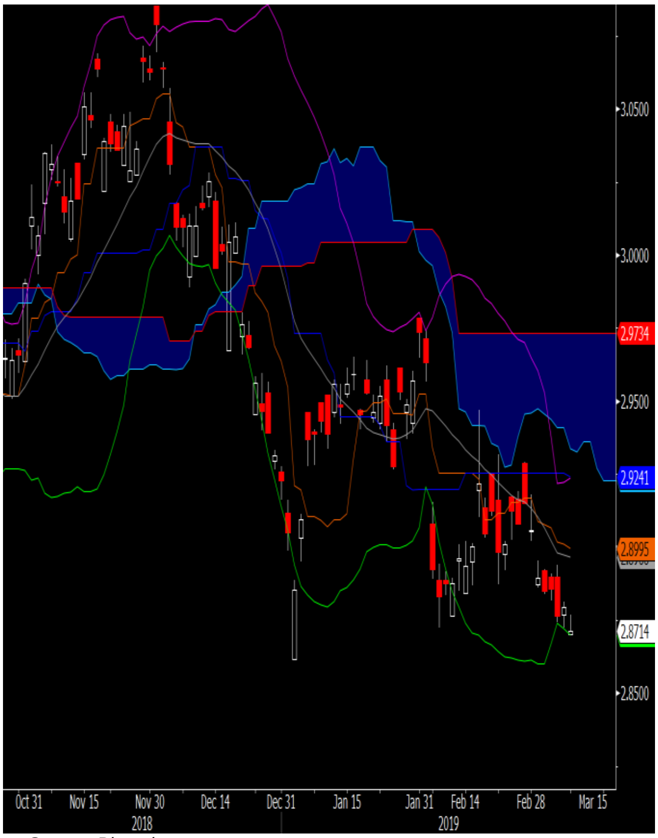
- AUDUSD has recently completed a bearish chart pattern therefore we continue to set sights on a drop to circa 0.6910 going forward. In due process, some bounces higher may prevail but likely to stay below 0.7068.

- **Key resistances:** 0.7025 (R1), 0.7035 (R2), 0.7055 (R3)

- **Key supports:** 0.7008 (S1), 0.7000 (S2), 0.6985 (S3)

- **Expected range for the day:** 0.7000 – 0.7025

Indicative AUDMYR 2.8714



Source: Bloomberg

- AUDMYR opened 91pips lower at 2.8703 today. **Daily outlook slightly bearish** amid downside pressure from risk-off sentiment in the markets.

- **Weekly outlook bearish, monthly outlook neutral**.

- A bearish trend has firmed up, paving way for further losses. There is now room for a slide to circa 2.8616 before attempting a sustained rebound.

- **Key resistances:** 2.8725 (R1), 2.8741 (R2), 2.8769 (R3)

- **Key supports:** 2.8697 (S1), 2.8680 (S2), 2.8650 (S3)

- **Expected range for the day:** 2.8650 – 2.8770

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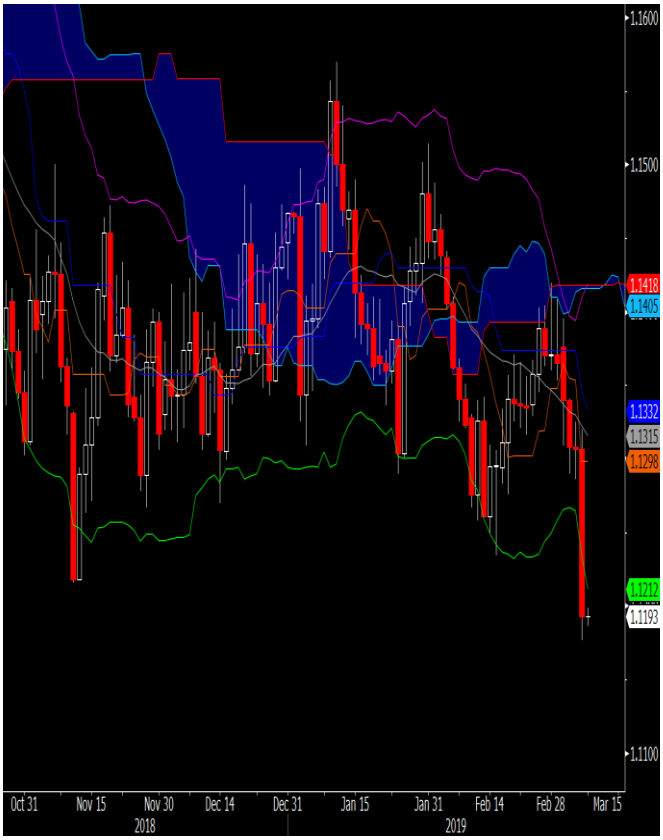
Indicative EURUSD 1.1193



Source: Bloomberg

- EURUSD opened unchanged at 1.1193 today. **Daily outlook slightly bullish** for today on potential mild rebound after yesterday's plunge.

- **Weekly outlook bearish, monthly outlook neutral**.

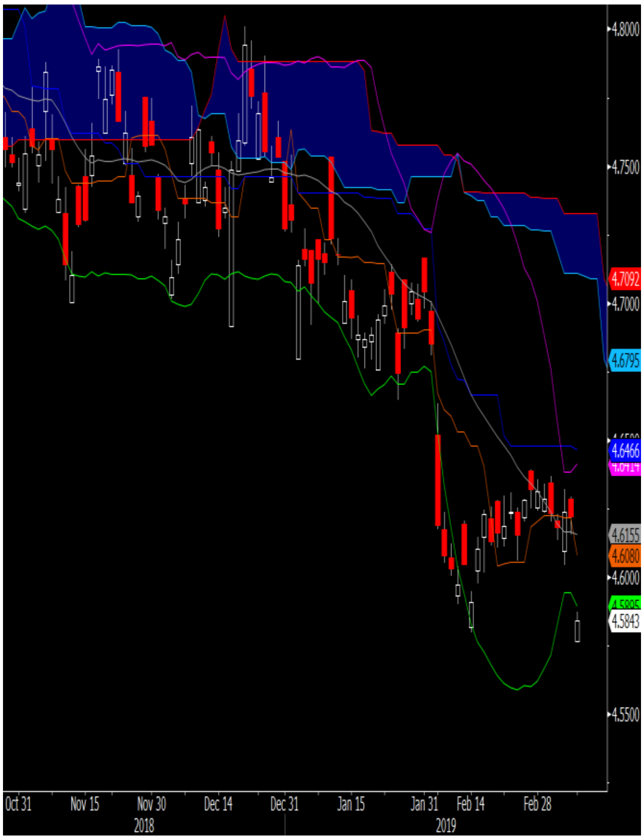
- However, the dovish tilt introduced by ECB yesterday is likely to weigh on EUR going forward. There is room for a mild bounce higher, possibly recapturing above 1.1211 in the process but EURUSD is likely headed lower thereafter, potentially targeting 1.1150 before mounting a more sustained rebound.

- **Key resistances:** 1.1200 (R1), 1.1212 (R2), 1.1220 (R3)

- **Key supports:** 1.1185 (S1), 1.1170 (S2), 1.1150 (S3)

- **Expected range for the day:** 1.1175 – 1.1210

Indicative EURMYR 4.5843



Source: Bloomberg

- EURMYR opened 456pips lower at 4.5766 today. **Daily outlook bearish** following the sharply lower opening.

- **Weekly outlook bearish, monthly outlook bullish**.

- Bearish trend has become more entrenched after gapping down at opening. EURMYR is likely pressured going forward, with room to test 4.5750 soon.

- **Key resistances:** 4.5850 (R1), 4.5875 (R2), 4.5900 (R3)

- **Key supports:** 4.5820 (S1), 4.5800 (S2), 4.5785 (S3)

- **Expected range for the day:** 4.5760 – 4.5920

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