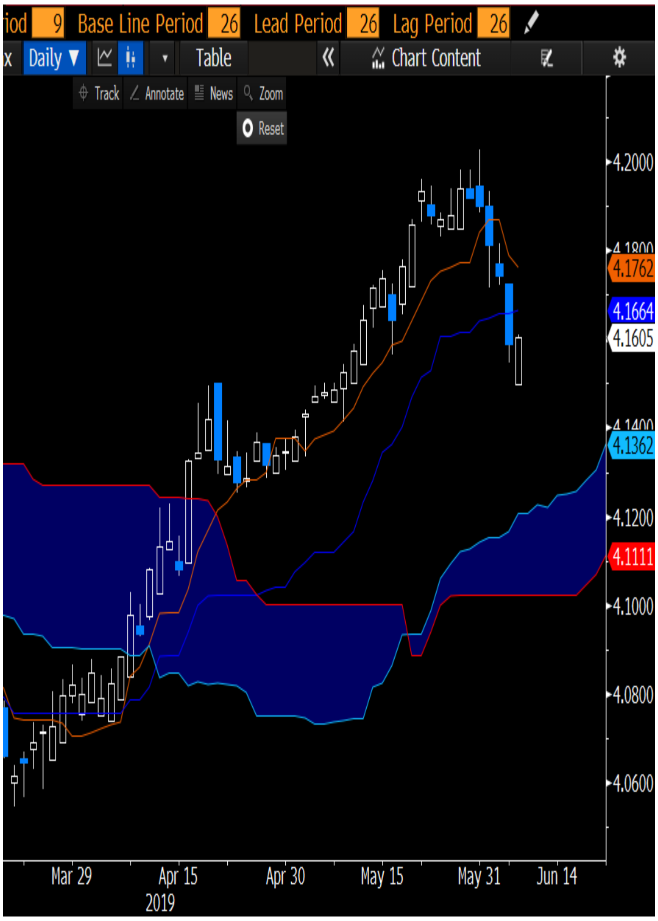
June 10, 2019

Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

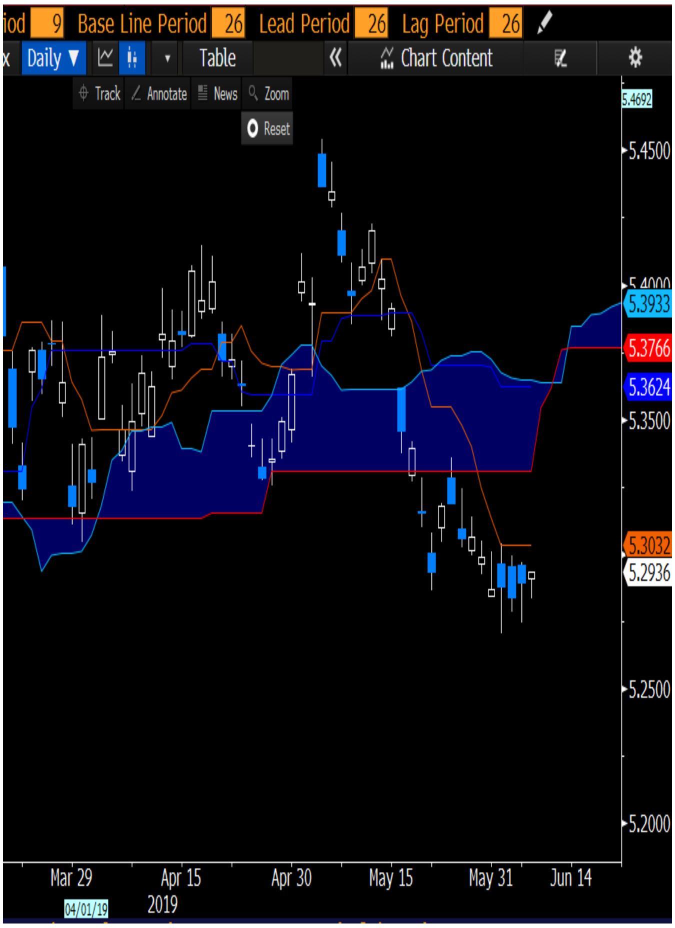
Indicative USDMYR 4.1570



Source: Bloomberg

- USDMYR opened 0.22% lower at 4.1497 as USD continues to trade weak. **Daily outlook bearish.**
- **Weekly and monthly outlook bullish**.
- **MYR remains bullish** as Fed dovish rhetoric is further supported by a weaker than expected jobs data which further increases Fed rate cut expectations in July.
- **Key resistances:** 4.1600 (R1), 4.1625 (R2), 4.1650 (R3)
- **Key supports:** 4.1525 (S1), 4.1500 (S2), 4.1475 (S3)
- **Expected range for the day:** 4.1550– 4.1750

Indicative GBPMYR 5.2898

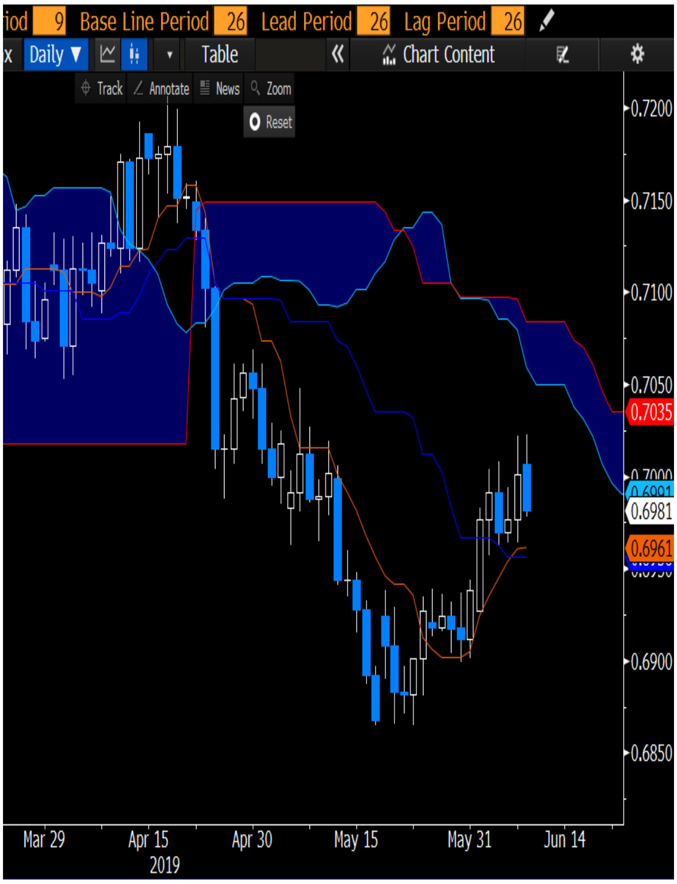


Source: Bloomberg

- GBPMYR opened marginally higher at 5.2911 today. **Daily outlook neutral on conflicting components**.
- **Weekly outlook bearish and monthly outlook neutral**.
- We remain bearish on the pair over the medium term with Brexit, global growth and trade worries still weighing. Adding weight to the pair in the short term is the USDMYR component due to dovish Fed rate cut expectations.
- **Key resistances**: 5.3000 (R1), 5.3200 (R2), 5.3400 (R3)
- **Key supports**: 5.2700 (S1), 5.2500 (S2), 5.2300 (S3)
- **Expected range for the day:** 5.2600 – 5.3000

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

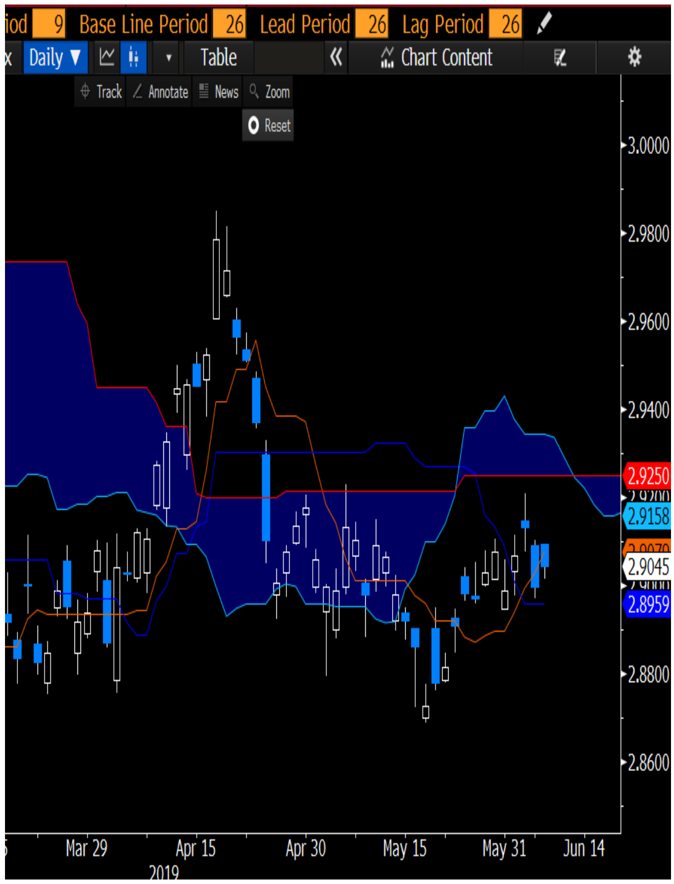
Indicative AUDUSD 0.6991



Source: Bloomberg

- AUDUSD opened a tad higher at 0.7007 today. **Daily outlook neutral to mildly bullish.**
- **Weekly outlook bullish and monthly outlook bearish**.
- **We remain bullish on AUD** as AUD remains relatively resilient after the RBA cut as Fed members turn dovish and expressed concerns over global growth worries and prolonged trade tensions which increases the chances of a Fed rate cut.
- **Key resistances:** 0.7000 (R1), 0.7025 (R2), 0.7050 (R3)
- **Key supports:** 0.6975 (S1), 0.6950 (S2), 0.6925 (S3)
- **Expected range for the day:** 0.6975 – 0.7025

Indicative AUDMYR 2.9060

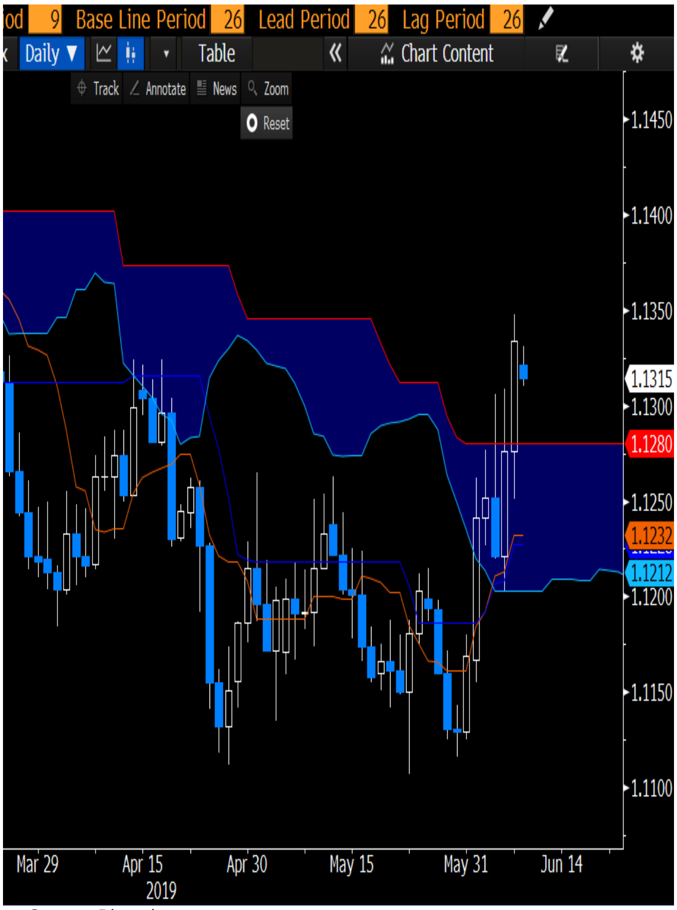


Source: Bloomberg

- AUDMYR opened 0.33% higher at 2.9094 today. **Daily outlook bearish** on weak USDMYR component**.**
- **Weekly and monthly outlook bearish**.
- Broad-based weakness in USD gave MYR a boost resulting in a lower AUDMYR. Short term support sits at 2.8950 whilst the stronger support is coming in at 2.8680. Poor jobs data which further reinforced Fed rate cut expectations likely to result in a lower pair in the medium term.
- **Key resistances:** 2.9150 (R1), 2.9200 (R2), 2.9400 (R3)
- **Key supports:** 2.9000 (S1), 2.8900 (S2), 2.8800 (S3)
- **Expected range for the day:** 2.8900 – 2.9150

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

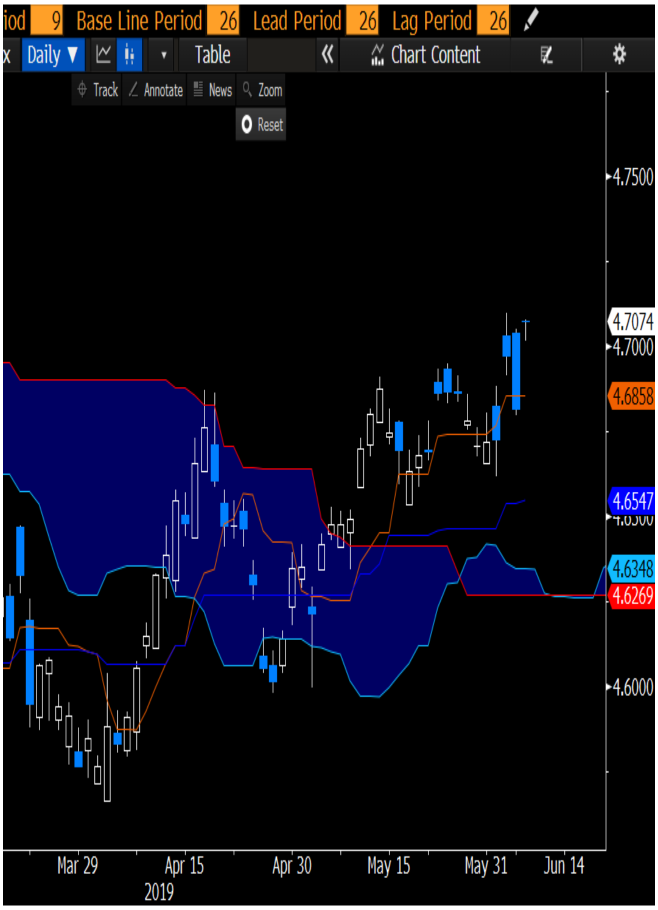
Indicative EURUSD 1.1325



Source: Bloomberg

- EURUSD opened 0.11% lower at 1.1321 today. **Daily outlook neutral to mildly bullish.**
- **Weekly outlook bullish and monthly outlook bearish**.
- Continued USD weakness due to a perceived dovish ECB and week US jobs data heightening Fed rate cut expectations gave EUR the strength needed to break past Ichimoku cloud top and clear the 1.13 handle.
- **Key resistances:** 1.1335 (R1), 1.1360 (R2), 1.1390 (R3)
- **Key supports:** 1.1300 (S1), 1.1275 (S2), 1.1250 (S3)
- **Expected range for the day:** 1.1300 – 1.1350

Indicative EURMYR 4.7078



Source: Bloomberg

- EURMYR opened 0.55% higher at 4.7076 today. **Daily outlook neutral to mildly bearish.**
- **Weekly outlook bullish, monthly outlook bearish**.
- EURMYR looking neutral to mildly bearish on conflicting components over the short term. 4.7200 has been providing some resistance over the past few sessions and is likely to continue doing so unless EUR component gets a boost past recent levels.
- **Key resistances:** 4.7200 (R1) 4.7400 (R1), 4.7500 (R3)
- **Key supports:** 4.7000 (S1), 4.6800 (S2), 4.6600 (S3)
- **Expected range for the day:** 4.6900– 4.7200

** 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 Damanlela
Bukit Damansara
50490 Kuala Lumpur
Tel: 603-2081 1221
Fax: 603-2081 8936
Email: HLMarkets@hlbb.hongleong.com.my