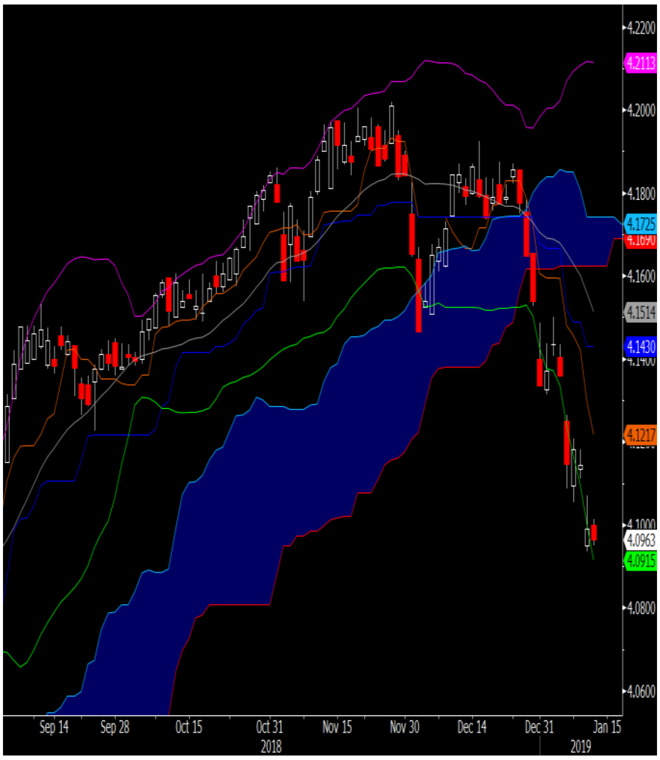
January 11, 2019

Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

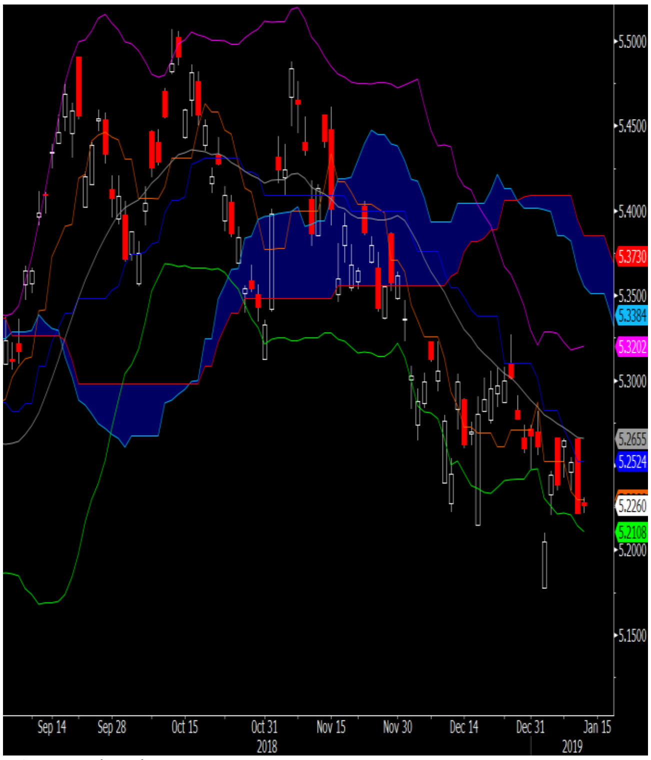
Indicative USDMYR 4.0963



Source: Bloomberg

- USDMYR opened slightly higher today. **Daily outlook slightly bearish**, with MYR supported by extended risk-on in the markets.
- **Weekly and monthly outlook bearish**.
- USDMYR remains inclined the downsides, with room to slide to 4.0860 going forward. But still, we caution that recent declines may have exhausted USDMYR's bearish strength and there may be a minor rebound, possibly back to circa 4.1110 – 4.1150 first, before extending further losses.
- **Key resistances:** 4.0990 (R1), 4.1010 (R2), 4.1050 (R3)
- **Key supports:** 4.0950 (S1), 4.0920 (S2), 4.0900 (S3)
- **Expected range for the day:** 4.0935 – 4.1015

Indicative GBPMYR 5.2260

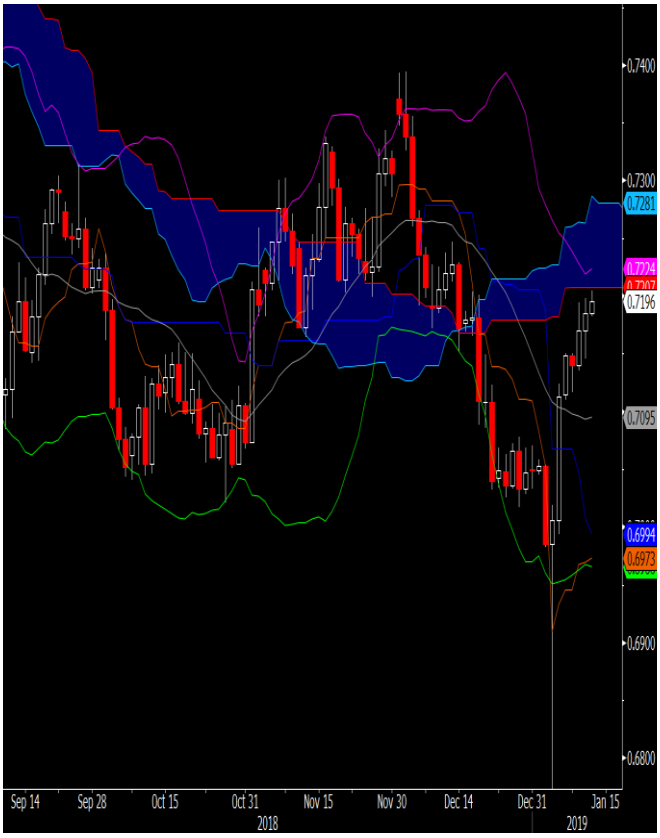


Source: Bloomberg

- GBPMYR opened 64pips higher at 5.2279 today. **Daily outlook slightly bullish**, supported by a higher opening.
- **Weekly and monthly outlook bullish**.
- Despite a daily bullish view, GBPMYR upside strength is now doubtful after overnight plunge below 5.2300. With momentum negligible, direction going forward is highly uncertain.
- **GBPMYR is now unlikely to climb to 5.2712**.
- **Key resistances**: 5.2300 (R1), 5.2346 (R2), 5.2383 (R3)
- **Key supports**: 5.2258 (S1), 5.2212 (S2), 5.2200 (S3)
- **Expected range for the day:** 5.2215 – 5.2310

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

Indicative AUDUSD 0.7196



Source: Bloomberg

- AUDUSD opened unchanged at 0.7185 today. **Daily outlook bullish**, staying supported by improving risk appetite in the markets and optimism of US-China trade talks.
- **Weekly and monthly outlook bullish**.
- Upward momentum continues to improve, supporting further gains in AUDUSD. A test at 0.7207 is next, above which there is room for a climb to 0.7229. There is a risk of a rejection at 0.7207, but as long as AUDUSD holds above 0.7159, a bullish bias should sustain.
- **Continue to expect a potential advance to 0.7207**.
- **Key resistances:** 0.7207 (R1), 0.7229 (R2), 0.7247 (R3)
- **Key supports:** 0.7187 (S1), 0.7172 (S2), 0.7159 (S3)
- **Expected range for the day:** 0.7180 – 0.7215

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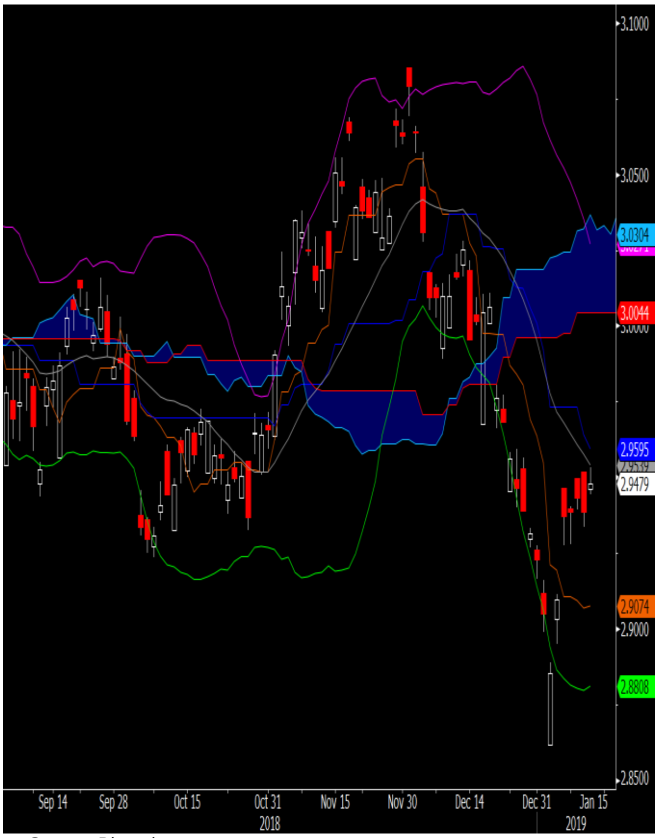
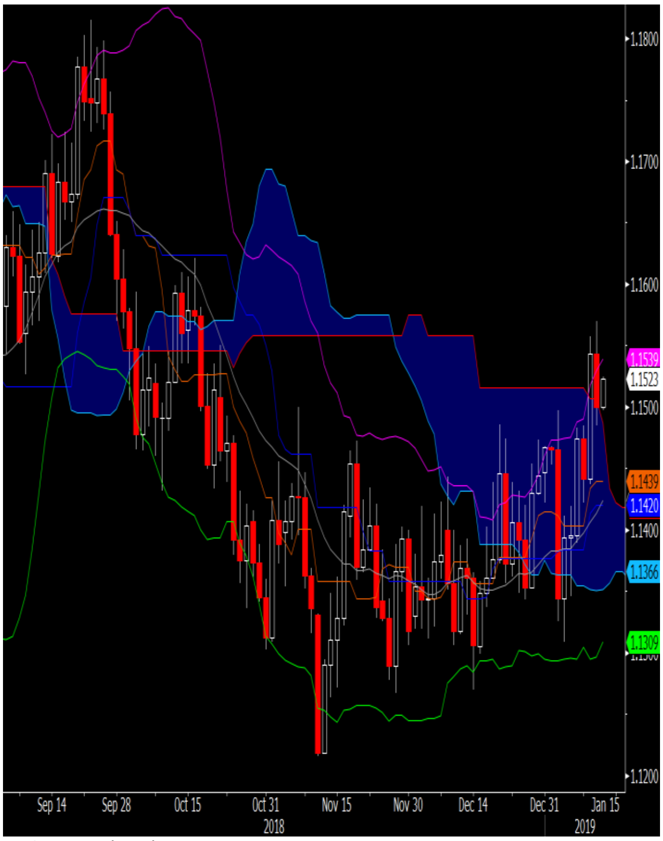
Indicative AUDMYR 2.9479



Source: Bloomberg

- AUDMYR opened 74ips higher at 2.9461 today. **Daily outlook bullish**, lifted by the higher opening and with improving risk appetite supporting AUD.
- **Weekly and monthly outlook bullish**.
- AUDMYR remains tilted to the upside, with room to climb higher to circa 2.9675 going forward. Holding above 2.9369 is likely to preserve a bullish bias in AUDMYR.
- **Continue to expect a potential advance to 2.9675**, otherwise curbed by a close below 2.9369.
- **Key resistances:** 2.9540 (R1), 2.9595 (R2), 2.9660 (R3)
- **Key supports:** 2.9463 (S1), 2.9402 (S2), 2.9369 (S3)
- **Expected range for the day:** 2.9430 – 2.9560

Indicative EURUSD 1.1523



Source: Bloomberg

- EURUSD opened unchanged at 1.1500 today. **Daily outlook bullish** in expectation of a weak USD.
- **Weekly and monthly outlook bullish**.
- Overnight pullback held above 1.1480, sustaining a bullish bias. Thus, we continue to set sights on a test at 1.1581 soon. We continue to note that this is a strong resistance; EURUSD's bullish sustainability may still be doubtful even with a break above it.
- **Continue to expect a potential advance to 1.1581**, otherwise curbed by a close below 1.1500.
- **Key resistances:** 1.1538 (R1), 1.1550 (R2), 1.1581 (R3)
- **Key supports:** 1.1500 (S1), 1.1486 (S2), 1.1450 (S3)
- **Expected range for the day:** 1.1495 – 1.1560

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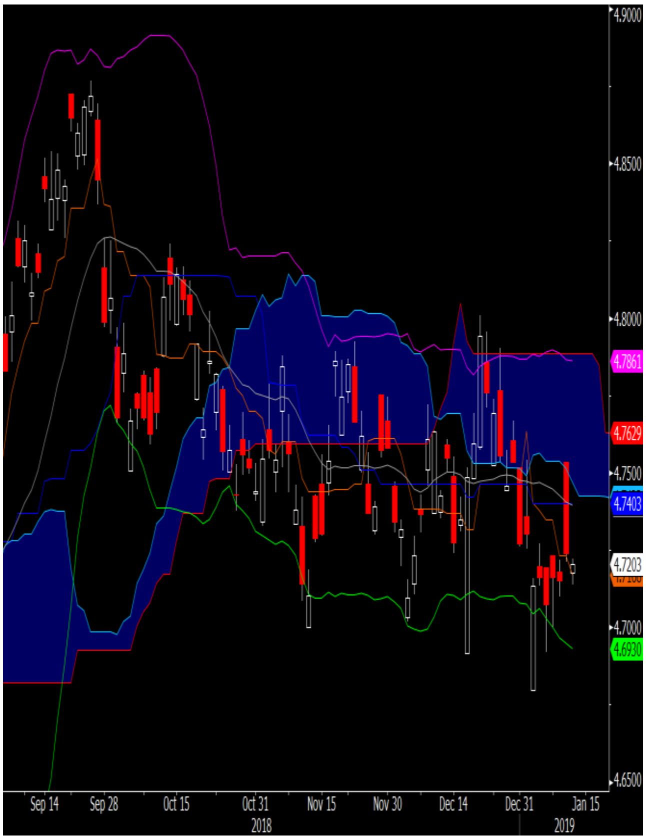
Indicative EURMYR 4.7203



Source: Bloomberg

- EURMYR opened 61pips lower at 4.7178 today. **Daily outlook neutral**, expecting a firmer EUR to overturn early losses.
- **Weekly and monthly outlook bullish**.
- With downward momentum receding, we maintain that EURMYR remains inclined to a climb towards circa 4.7640 in the next leg higher.
- **Key resistances:** 4.7224 (R1), 4.7255 (R2), 4.7271 (R3)
- **Key supports:** 4.7168 (S1), 4.7131 (S2), 4.7100 (S3)
- **Expected range for the day:** 4.7130 – 4.7350

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