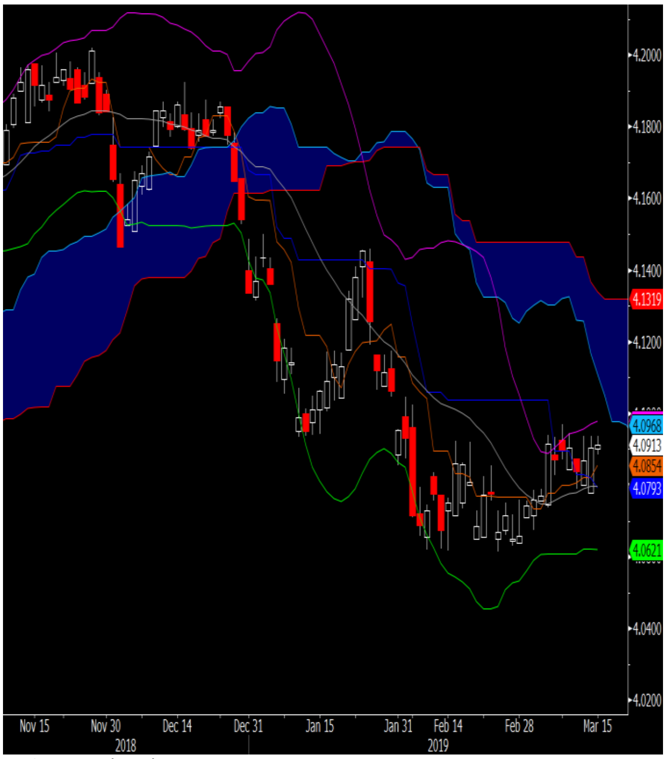
Global Markets Research

FX Strategy

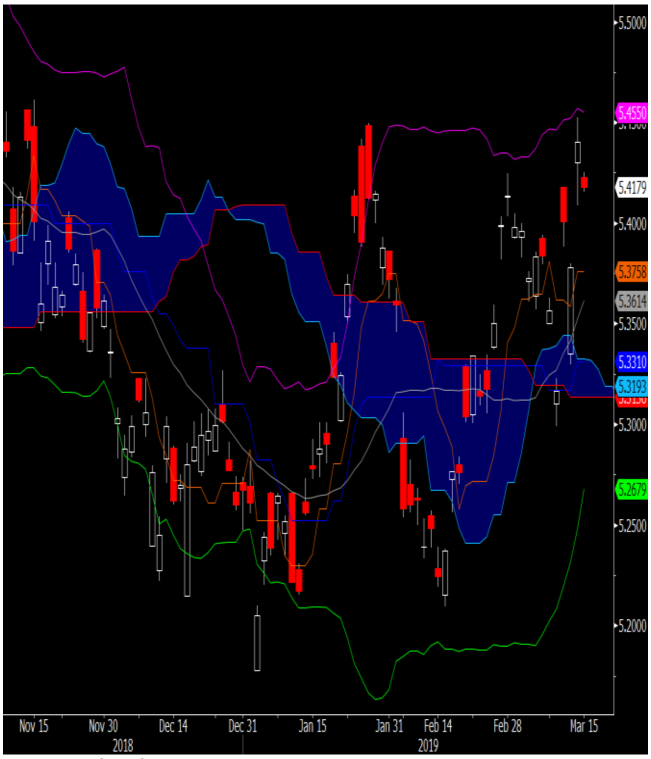
Daily Currency Outlook – 11am edition

Indicative USDMYR 4.0913



Source: Bloomberg

Indicative GBPMYR 5.4179



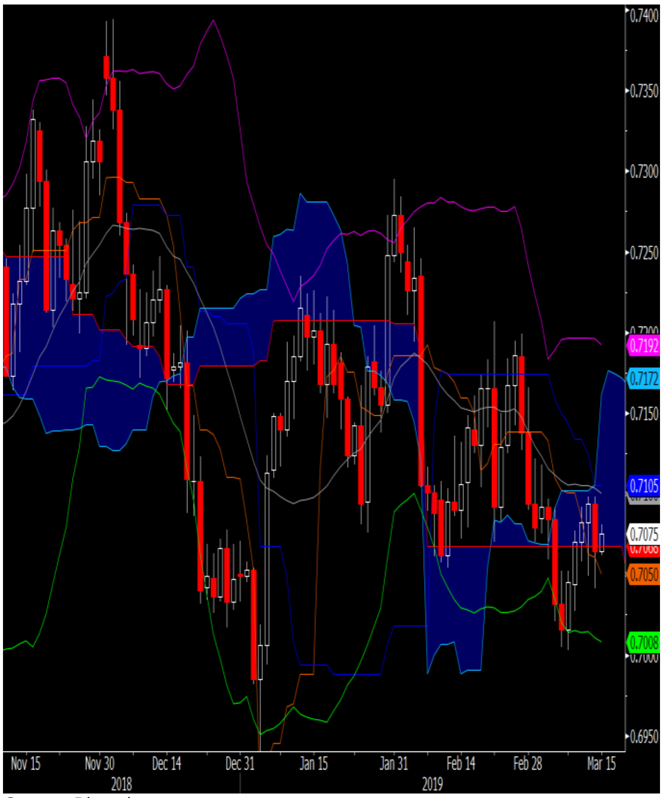
Source: Bloomberg

- USDMYR opened slightly lower today. **Daily outlook slightly bullish** in anticipation of pressure on MYR from risk aversion in the markets and going into the week's closure.
- **Weekly outlook bullish, monthly outlook bullish**.
- We maintain that USDMYR remains bullish and continue to target 4.0965. Beating this, USDMYR is likely headed towards 4.1038.
- **Key resistances:** 4.0945 (R1), 4.0970 (R2), 4.0980 (R3)
- **Key supports:** 4.0900 (S1), 4.0890 (S2), 4.0855 (S3)
- **Expected range for the day:** 4.0885 – 4.0950

- GBPMYR opened 171 pips lower at 5.4230 today. **Daily outlook bearish**, weighed down by the sharply lower opening as well as potential for GBP losses on rising Brexit uncertainties.
- **Weekly outlook bullish and monthly outlook bearish**.
- We opine that GBPMYR has peaked. It is now vulnerable to a correction lower, with room to test 5.3887 next, below which 5.3614 will be challenged.
- **Key resistances**: 5.4180 (R1), 5.4200 (R2), 5.4220 (R3)
- **Key supports**: 5.4146 (S1), 5.4100 (S2), 5.4080 (S3)
- **Expected range for the day:** 5.4080 – 5.4250

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

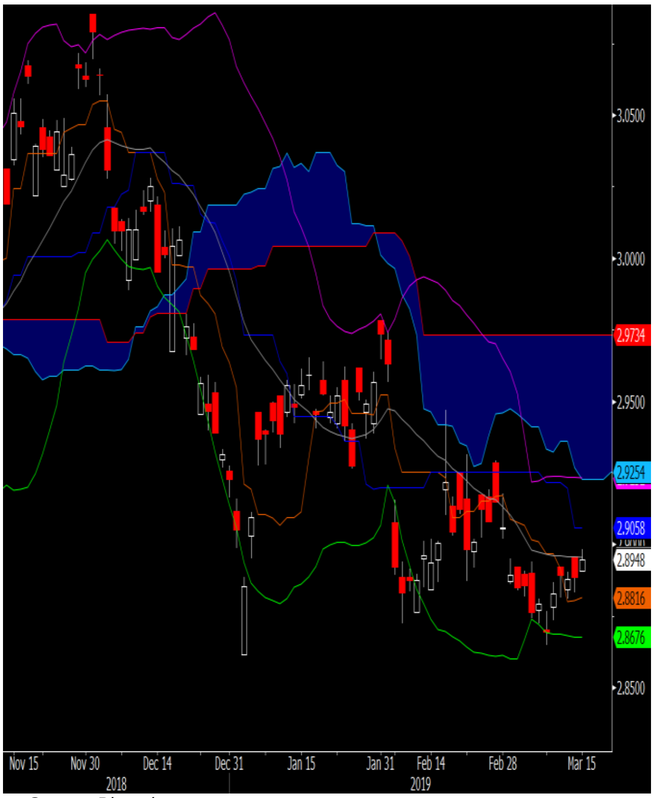
Indicative AUDUSD 0.7075



Source: Bloomberg

- AUDUSD opened unchanged at 0.7064. **Daily outlook slightly bearish**, pressured by lingering risk-off in the markets.
- **Weekly outlook neutral, monthly outlook neutral**.
- AUDUSD is at risk of losing its recently-emerged bullish trend; a close below 0.7070 today validates this, which will then tilt AUDUSD towards the downside, heading for a break below 0.7050. Closing above 0.7070 strengthens current bullish trend, and suggests a break above 0.7094 soon.
- **Key resistances:** 0.7083 (R1), 0.7100 (R2), 0.7115 (R3)
- **Key supports:** 0.7068 (S1), 0.7050 (S2), 0.7041 (S3)
- **Expected range for the day:** 0.7050 – 0.7090

Indicative AUDMYR 2.8948



Source: Bloomberg

- AUDMYR opened 23pips higher at 2.8909 today. **Daily outlook slightly bullish** as we expect MYR to be the weaker against AUD.
- **Weekly outlook bullish, monthly outlook neutral**.
- With improved upward momentum, expect AUDMYR to be lifted alongside, though 2.8954 must be sufficiently broken for this upside strength to be sustainable.
- **Key resistances:** 2.8954 (R1), 2.8984 (R2), 2.9000 (R3)
- **Key supports:** 2.8923 (S1), 2.8900 (S2), 2.8884 (S3)
- **Expected range for the day:** 2.8900 – 2.8990

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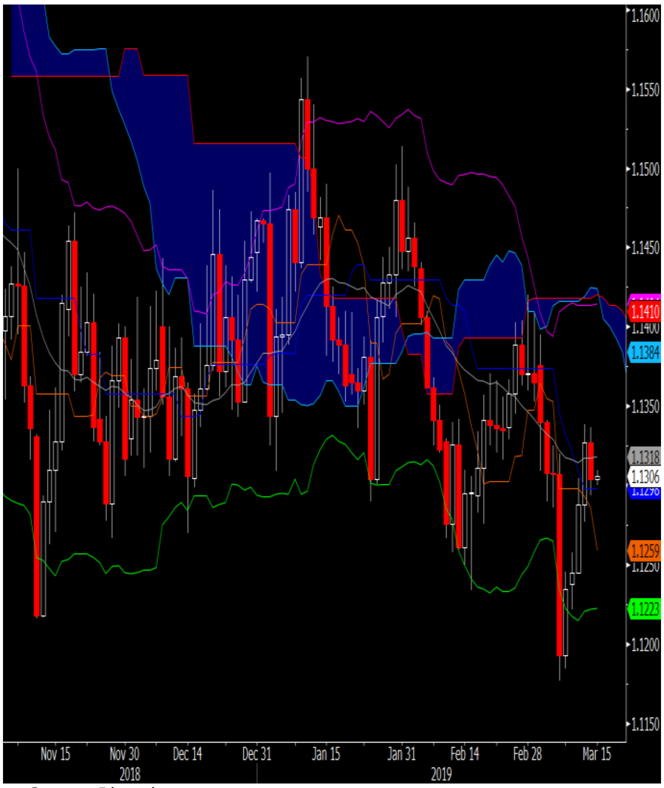
Indicative EURUSD 1.1306



Source: Bloomberg

- EURUSD opened unchanged at 1.1304. **Daily outlook remains bullish** on the back of a soft USD, with room for improved upside strength if Eurozone CPI accelerates.
- **Weekly outlook neutral, monthly outlook neutral**.
- Holding above 1.1300 despite rejection at 1.1337 overnight is to us a sign that EURUSD is resilient. With a bullish trend still prevailing, we expect a break at 1.1318 next, which will again test 1.1337 thereafter.
- **Key resistances:** 1.1318 (R1), 1.1333 (R2), 1.1355 (R3)
- **Key supports:** 1.1298 (S1), 1.1276 (S2), 1.1259 (S3)
- **Expected range for the day:** 1.1290 – 1.1330

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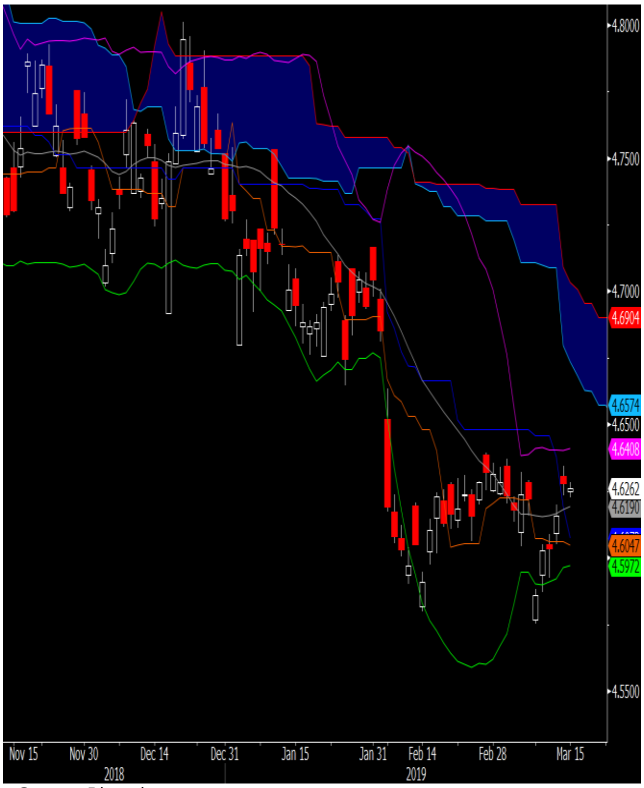
Indicative EURMYR 4.6262



Source: Bloomberg

- EURMYR opened 27pips lower at 4.6251 today. **Daily outlook slightly bullish** on potentially stronger EUR.
- **Weekly outlook neutral, monthly outlook bullish**.
- EURMYR is still in a bullish trend but must break above 4.6300 to solidify its attempt higher. Above 4.6300, 4.6408 will be left exposed.
- **Key resistances:** 4.6300 (R1), 4.6321 (R2), 4.6344 (R3)
- **Key supports:** 4.6234 (S1), 4.6200 (S2), 4.6190 (S3)
- **Expected range for the day:** 4.6220 – 4.6320

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