

Global Markets Research

FX Strategy

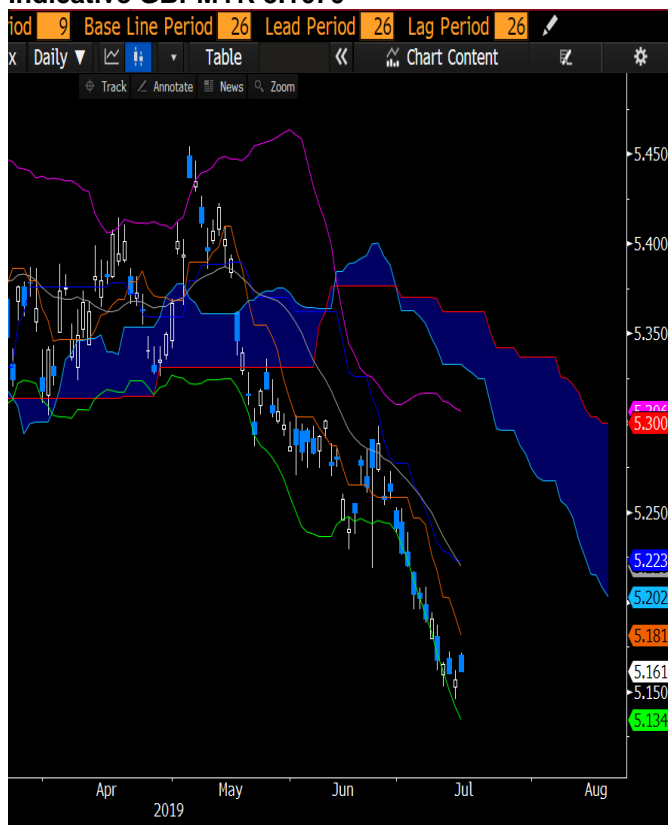
Daily Currency Outlook – 11am edition

Indicative USDMYR 4.1110



Source: Bloomberg

Indicative GBPMYR 5.1670



Source: Bloomberg

- USDMYR opened marginally lower at 4.1100. **Daily outlook bearish.**
- **Weekly outlook and monthly outlook bearish.**
- **We remain bearish USDMYR today** as the pair continues to cling on to the lower levels of the immediate range and looks set to challenge the 4.10 support. **We remain bullish MYR in the medium term** given that MYR continues to perform post FOMC minutes and Powell’s testimony despite some UST yield volatility and ahead of an impending July Fed rate cut.
- **Key resistances:** 4.1200 (R1), 4.1250 (R2), 4.1300 (R3)
- **Key supports:** 4.1050 (S1), 4.1025 (S2), 4.1000 (S3)
- **Expected range for the day:** 4.1050– 4.1200

- GBPMYR opened 0.27% higher at 5.1707 today. **Daily outlook bearish.**
- **Weekly outlook and monthly outlook bearish.**
- **We remain bearish pair** as MYR component continues to receive support from a dovish Fed with a more or less confirmed July rate cut. **We remain bearish on the pair in the medium term** due to a dovish BOE and relatively poor economic data alongside Brexit issues which should weigh on GBP component.
- **Key resistances:** 5.1700 (R1), 5.1800 (R2), 5.1950 (R3)
- **Key supports:** 5.1550 (S1), 5.1400 (S2), 5.1300 (S3)
- **Expected range for the day:** 5.1500– 5.1700

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

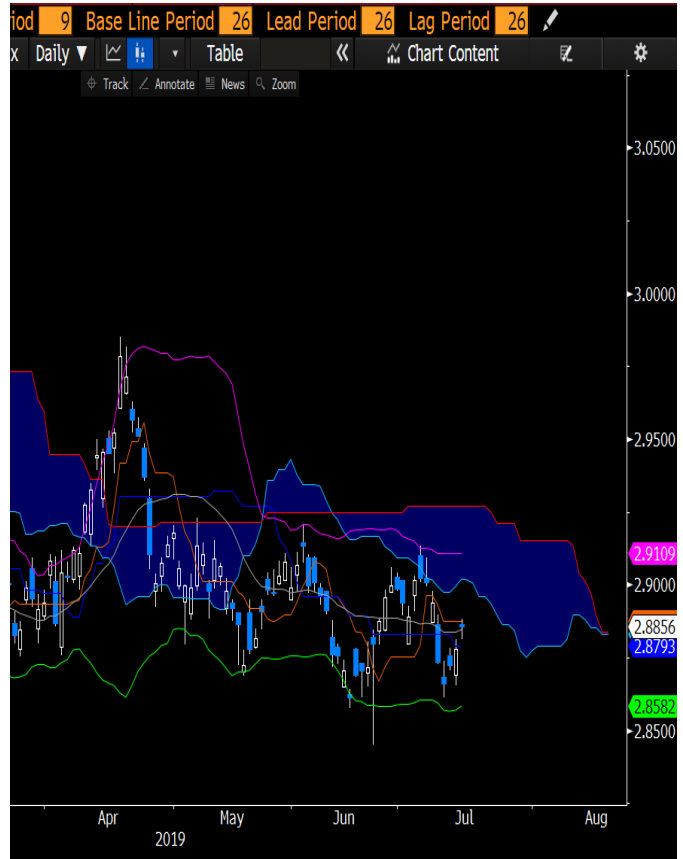
Indicative AUDUSD 0.7021



Source: Bloomberg

- AUDUSD opened 0.16% lower at 0.7009 today. **Daily outlook mildly bullish.**
- **Weekly and monthly outlook slightly bullish.**
- **We remain bullish AUD** in the short term as AUD continues to receive support from a dovish Fed. In the medium term, US-China trade events are key to determine further AUD direction as it seems AUD is consolidating within a broad range set previously.
- **Key resistances:** 0.7030 (R1), 0.7050 (R2), 0.7070 (R3)
- **Key supports:** 0.7000 (S1), 0.6975 (S2), 0.6950 (S3)
- **Expected range for the day:** 0.7000-0.7050

Indicative AUDMYR 2.8845

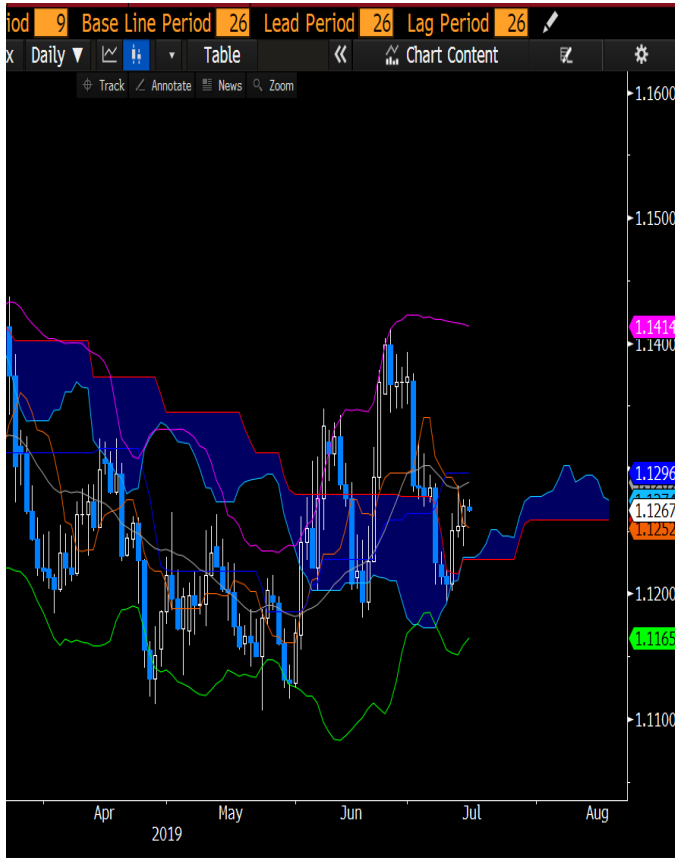


Source: Bloomberg

- AUDMYR opened 0.30% higher at 2.8863 today. **Daily outlook neutral to slightly bullish.**
- **Weekly outlook neutral and monthly outlook slightly bearish.**
- **We are neutral to slightly bullish on the pair over the short term** as pair got a boost overnight from a higher AUD component. In the more medium term, the pair is likely to take cues from AUD component due to its sensitivity to US-China trade talks.
- **Key resistances:** 2.8900 (R1), 2.9100 (R2), 2.9200 (R3)
- **Key supports:** 2.8800 (S1), 2.8700 (S2), 2.8600 (S3)
- **Expected range for the day:** 2.8800– 2.8900

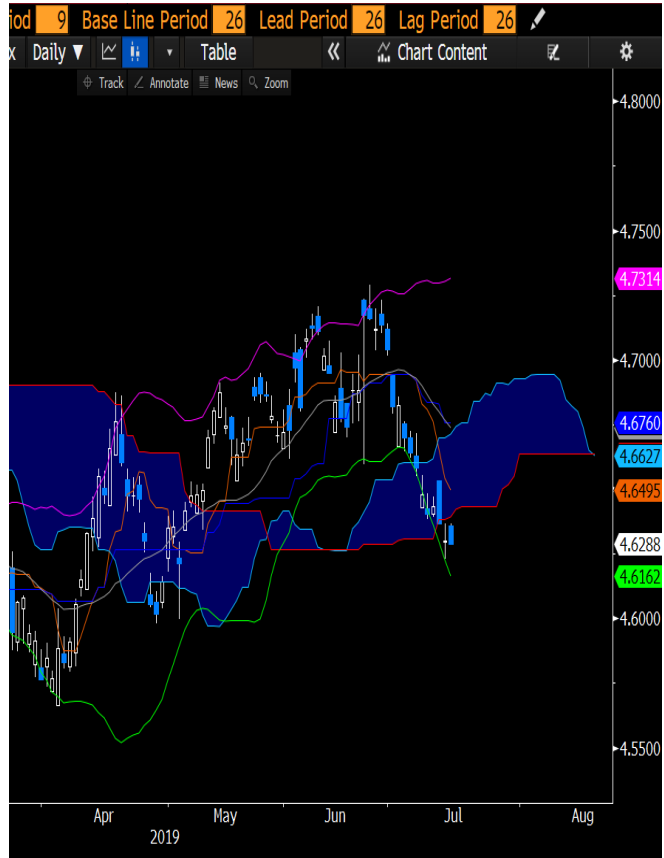
* levels are quoted based on spot prices at time of writing, bid/ask prices may vary

Indicative EURUSD 1.1275



Source: Bloomberg

Indicative EURMYR 4.6329



Source: Bloomberg

- EURUSD opened almost unchanged at 1.1269 today. **Daily outlook neutral to mildly bullish.**
- **Weekly outlook bearish and monthly outlook neutral.**
- **We are neutral to mildly bullish EUR today** as the overall USD continues to trade weaker on a dovish Fed. **We remain bullish EUR** in the medium term as the ECB is likely to hold its key rates steady for the remainder of 2019 which should support the EUR against USD.
- **Key resistances:** 1.1285 (R1), 1.1300 (R2), 1.1330 (R3)
- **Key supports:** 1.1250 (S1), 1.1225 (S2), 1.1200 (S3)
- **Expected range for the day:** 1.1250 – 1.1300

- EURMYR opened 0.13% higher at 4.6360 today. **Daily outlook neutral to slightly bearish on strong MYR component.**
- **Weekly outlook bullish, monthly outlook bearish.**
- **We are neutral to slightly bearish the pair today** as MYR component continue to register gains from a dovish Fed towards 4.10 support. In the medium term, we look to US-China trade talks for more directional cues.
- **Key resistances:** 4.6400 (R1) 4.6600 (R1), 4.6700 (R3)
- **Key supports:** 4.6200 (S1), 4.6000 (S2), 4.5900 (S3)
- **Expected range for the day:** 4.6200– 4.6400

* 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@hibb.hongleong.com.my**DISCLAIMER**

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter. HLBB may, to the extent permitted by law, buy, sell or hold significantly long or short positions; act as investment and/or commercial bankers; be represented on the board of the issuers; and/or engage in 'market making' of securities mentioned herein. The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favorable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.