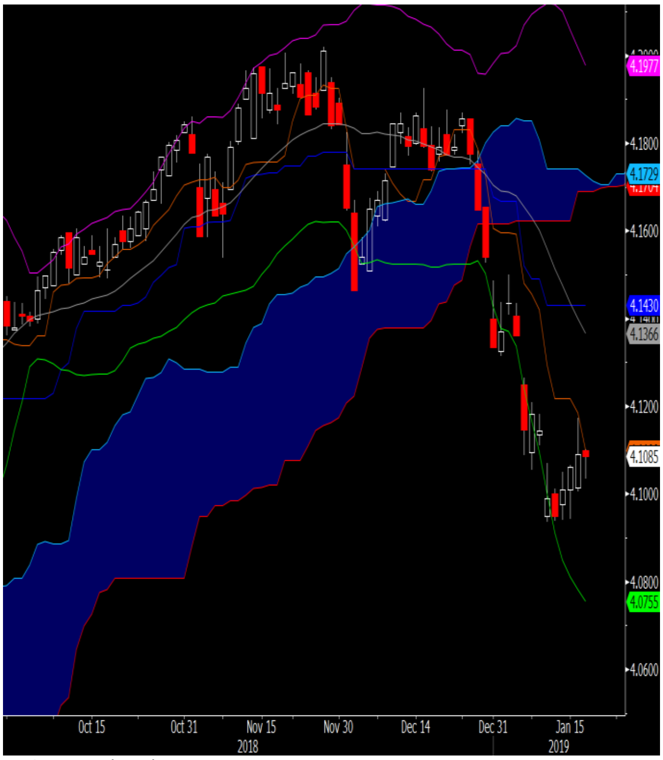
Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

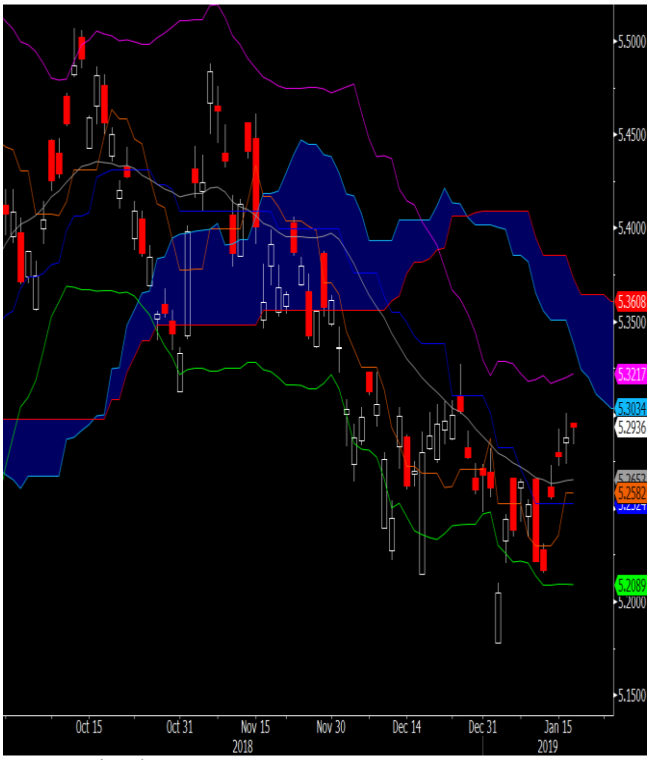
Indicative USDMYR 4.1085



Source: Bloomberg

- USDMYR opened higher today. **Daily outlook slightly bullish** on the back of a firmer overnight USD.
- **Weekly outlook bullish, monthly outlook bearish**.
- Receding downward momentum continues to suggest USDMYR is heading higher. We maintain the view that this is part of a rebound from recent losses, possibly targeting 4.1150, above which a move to 4.1313 will be exposed.
- **Continue to expect a potential climb to 4.1313**, otherwise curbed by a close below 4.1050.
- **Key resistances:** 4.1100 (R1), 4.1165 (R2), 4.1180 (R3)
- **Key supports:** 4.1050 (S1), 4.1035 (S2), 4.1015 (S3)
- **Expected range for the day:** 4.1035 – 4.1180

Indicative GBPMYR 5.2936

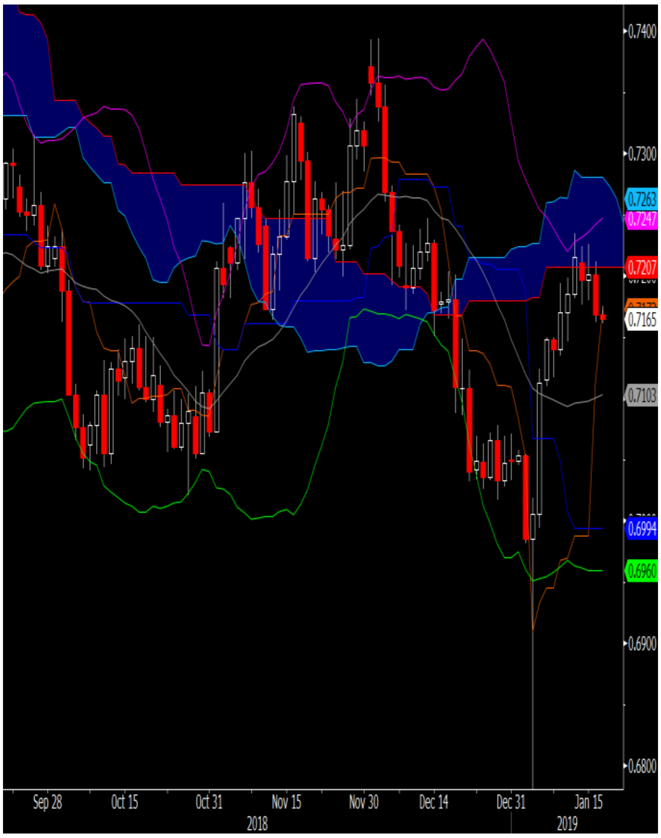


Source: Bloomberg

- GBPMYR opened 76pips higher at 5.2955 today. **Daily outlook slightly bullish**, supported by a higher opening and likelihood of a firmer GBP.
- **Weekly and monthly outlook bullish**.
- Increased upward momentum and strong gap up continues to tilt GBPMYR towards the upside. With a break at 5.2919, there is now room for a climb to 5.3040.
- **Continue to expect a potential advance to 5.3040**.
- **Key resistances**: 5.2955 (R1), 5.3004 (R2), 5.3040 (R3)
- **Key supports**: 5.2894 (S1), 5.2843 (S2), 5.2811 (S3)
- **Expected range for the day:** 5.2840 – 5.3000

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

Indicative AUDUSD 0.7165

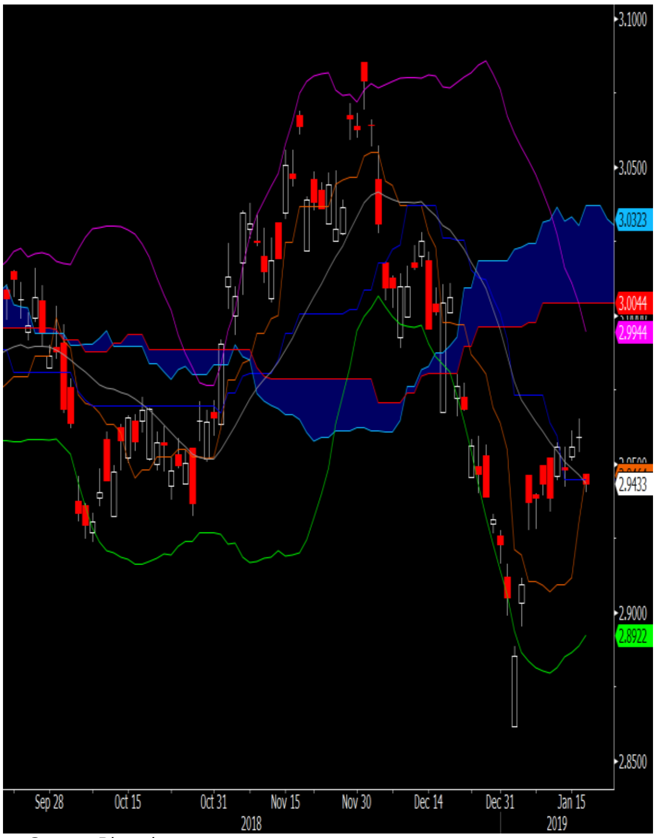


Source: Bloomberg

- AUDUSD opened unchanged at 0.7168 today. **Daily outlook slightly bearish** on technical reasons.
- **Weekly outlook bearish, monthly outlook bullish**.
- Downside break of several firm supports suggests a possible onset of a reversal. We first set sights on a drop to circa 0.7138, below which losses could extend to 0.7079. Bullish bias is unlikely to be revived unless AUDUSD manages to break above 0.7207.
- **Continue to expect a potential decline to 0.7150**.
- **Key resistances:** 0.7175 (R1), 0.7188 (R2), 0.7207 (R3)
- **Key supports:** 0.7150 (S1), 0.7134 (S2), 0.7103 (S3)
- **Expected range for the day:** 0.7135 – 0.7175

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

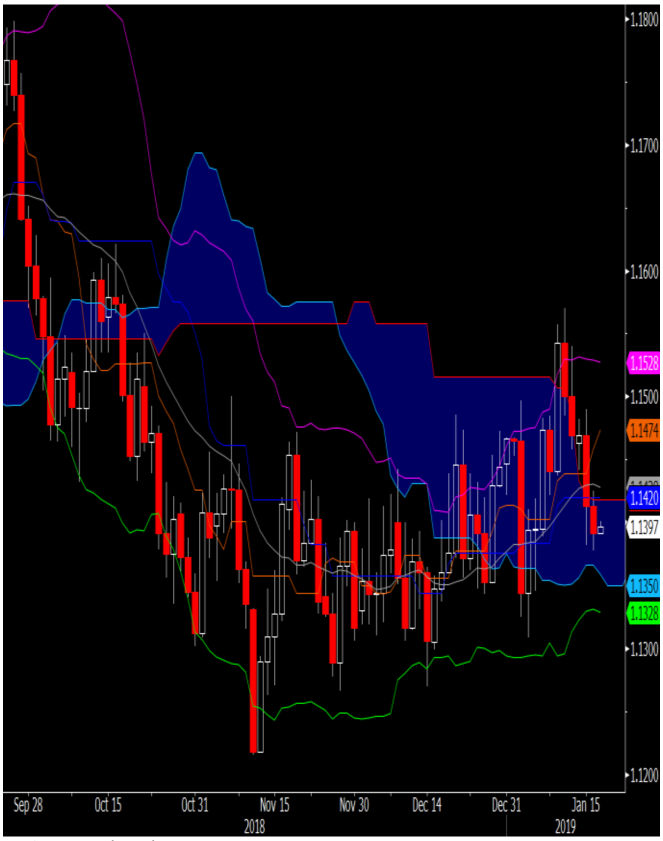
Indicative AUDMYR 2.9433



Source: Bloomberg

- AUDMYR opened 124pips lower at 2.9468 today. **Daily outlook bearish**, weighed down by a sharply lower opening.
- **Weekly and monthly outlook bullish**.
- Despite an early gap down, we opine that AUDMYR remains tilted to the upside, with room to climb higher to circa 2.9675 going forward. Caution that AUDMYR has to hold above 2.9369 in order to sustain current upside bias.
- **Continue to expect a potential advance to 2.9675**, otherwise curbed by a close below 2.9369.
- **Key resistances:** 2.9449 (R1), 2.9511 (R2), 2.9559 (R3)
- **Key supports:** 2.9392 (S1), 2.9369 (S2), 2.9341 (S3)
- **Expected range for the day:** 2.9340 – 2.9470

Indicative EURUSD 1.1397

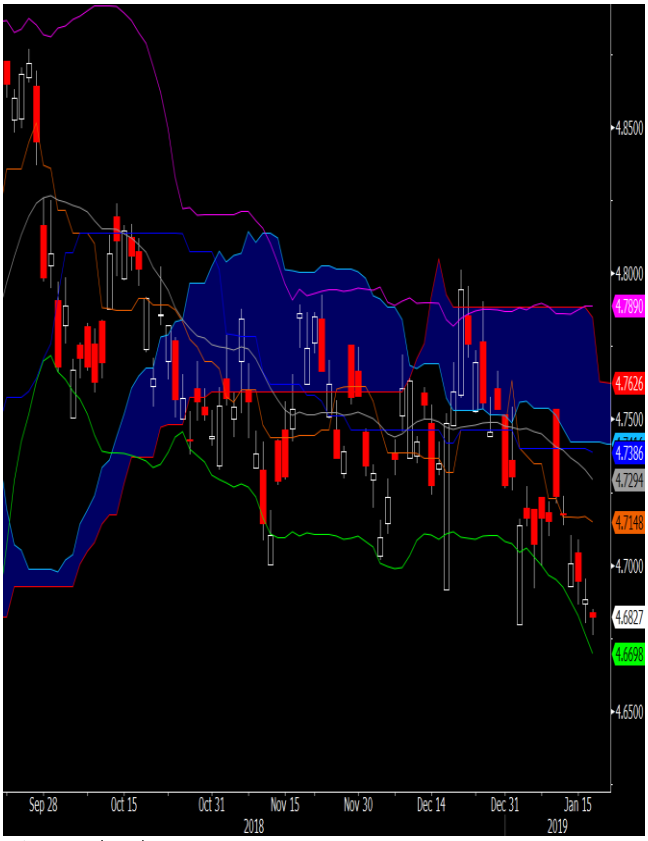


Source: Bloomberg

- EURUSD opened unchanged at 1.1392 today. **Daily outlook bearish**, weighed down by rising skepticism on the ECB's ability to stay on a tightening bias.
- **Weekly outlook bearish, monthly outlook neutral**.
- Downward momentum has increased, further tilting EURUSD lower. There is room to test 1.1366 next, below which 1.1300 will be targeted.
- **Continue to expect a potential decline to 1.1350**.
- **Key resistances:** 1.1400 (R1), 1.1420 (R2), 1.1438 (R3)
- **Key supports:** 1.1384 (S1), 1.1367 (S2), 1.1346 (S3)
- **Expected range for the day:** 1.1365 – 1.1400

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

Indicative EURMYR 4.6827



Source: Bloomberg

- EURMYR opened 44pips lower at 4.6841 today. **Daily outlook slightly bearish**, anticipating a softer EUR going into European session.
- **Weekly and monthly outlook bearish**.
- Downward momentum continues to increase. EURMYR has tested 4.6774 as we noted yesterday, and there is now room for a test at 4.6639 next. However, we caution that EURMYR is unlikely to stay below 4.6815 for long, and may be attempting a rebound above it in the coming week(s).
- **Key resistances:** 4.6852 (R1), 4.6870 (R2), 4.6900 (R3)
- **Key supports:** 4.6815 (S1), 4.6750 (S2), 4.6720 (S3)
- **Expected range for the day:** 4.6750 – 4.6850

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