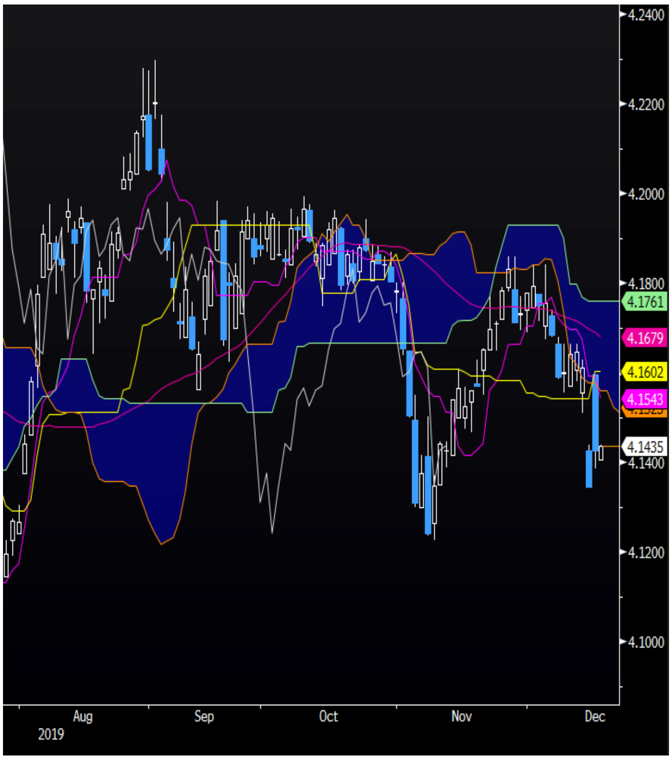
Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

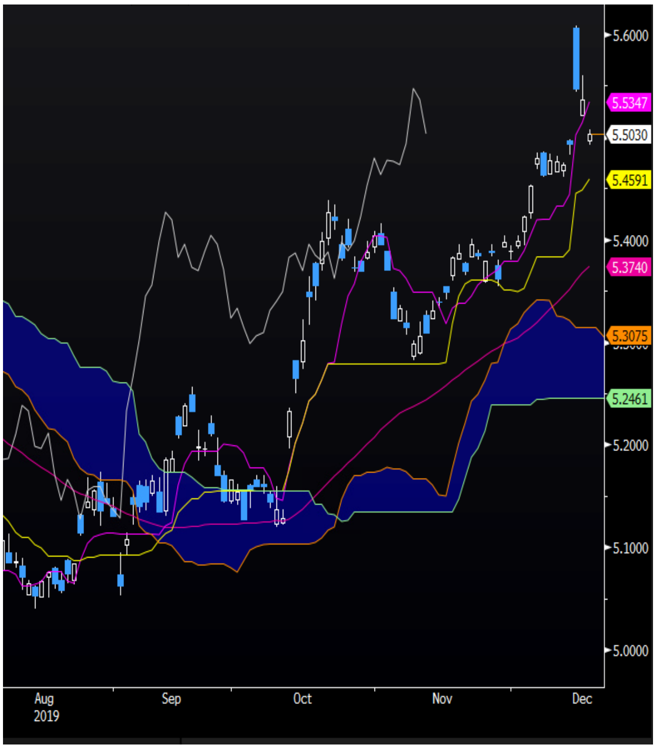
Indicative USDMYR 4.1435



Source: Bloomberg

- USDMYR opened slightly lower at 4.1405 today. **Daily outlook slightly bearish.**
- **Weekly and monthly outlook bullish.**
- **MYR daily outlook is slightly bullish** alongside higher yuan, taking cue from overnight dollar weakness as higher risk appetites likely push up riskier emerging market currencies. **MYR medium term outlook is still bearish** as the dollar is still expected to be well supported by relatively solid data.
- **Key resistances:** 4.1500 (S1), 4.1600 (S2), 4.1700 (S3)
- **Key supports:** 4.1350 (R1), 4.1300 (R2), 4.1250 (R3)
- **Expected range for the day:** 4.1300-4.1500

Indicative GBPMYR 5.5030

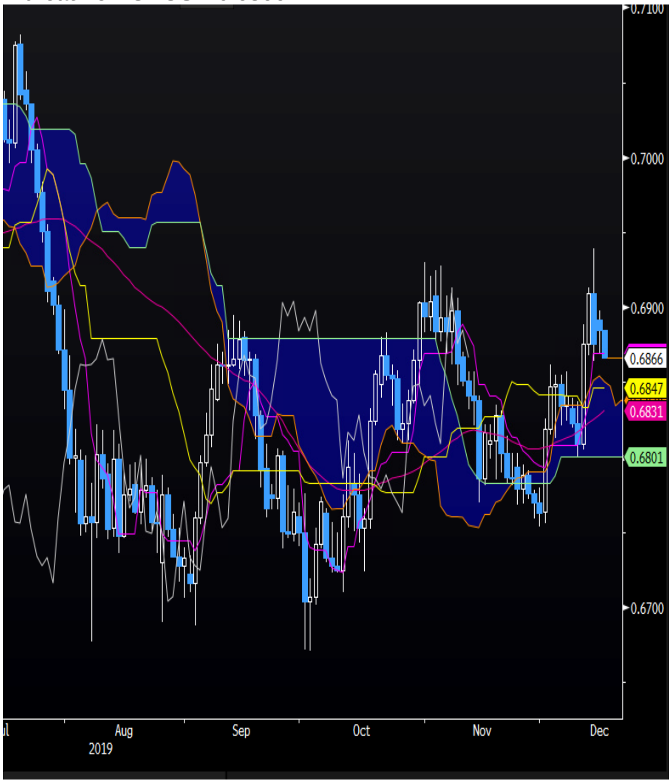


Source: Bloomberg

- GBPMYR opened 0.71% lower at 5.4966 today. **Daily outlook bearish.**
- **Weekly outlook bearish and monthly outlook neutral.**
- **GBPMYR daily outlook is bearish** on lower opening with the sterling rolling into Asia morning below 1.3300 against the USD and technical indicators **point to a sell-off in the short term** on renewed hard Brexit fear following reports that PM Boris Johnson will amend Brexit bill to rule out any extension (of Britain leaving the EU) beyond 2020. Key data to look towards to today are UK job report. **Medium term outlook is determined by Brexit development.**
- **Key resistances**: 5.5345 (R1), 5.5600 (R2), 5.6000 (R3)
- **Key supports**: 5.4800 (S1), 5.4590 (S2), 5.4300 (S3)
- **Expected range for the day:** 5.4800- 5.5345

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

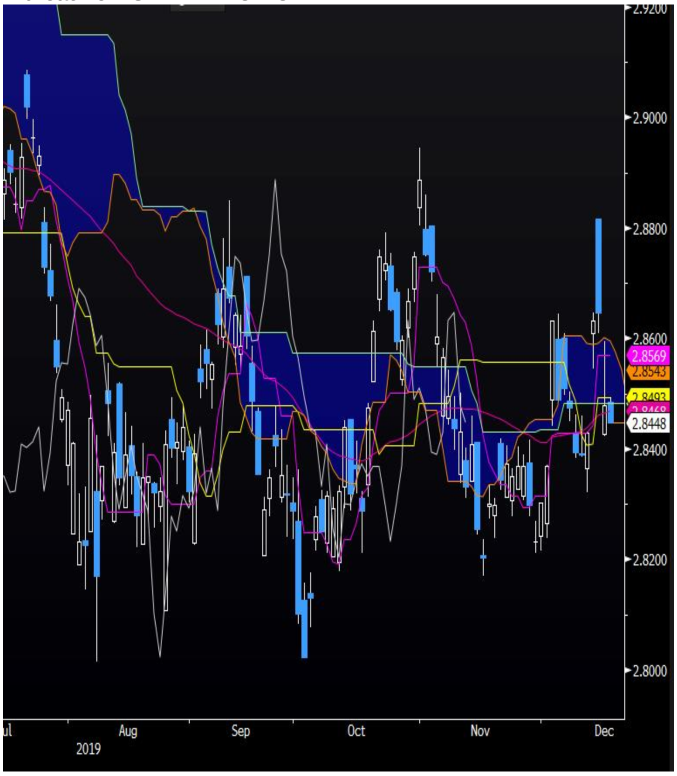
Indicative AUDUSD 0.6866



Source: Bloomberg

- AUDUSD opened unchanged at 0.6885 today. **Daily outlook bearish.**
- **Weekly outlook neutral and monthly outlook slightly bullish.**
- **Daily outlook is bearish** as AUD is seen trading below 0.6880, clinging to losses after a somewhat dovish RBA meeting minutes that stressed the effectiveness of looser monetary policy and reiterated the central bank's readiness to ease further if needed**. Medium term outlook is slightly bullish** on lower risk of a US-China trade war escalation.
- **Key resistances:** 0.6880 (R1), 0.6900 (R2), 0.6930 (R3)
- **Key supports:** 0.6850 (S1), 0.6830 (S2), 0.6800 (S3)
- **Expected range for the day:** 0.6850 – 0.6885

Indicative AUDMYR 2.8448



Source: Bloomberg

- AUDMYR opened virtually unchanged at 2.8484 today. **Daily outlook neutral with a bearish bias.**
- **Weekly outlook neutral and monthly outlook slightly bullish.**
- **We are neutral on AUDMYR cross today with a bearish bias** as AUD turned bearish against the USD following RBA minute. **Medium term outlook is slightly bullish** on lower risk of a US-China trade war escalation.
- **Key resistances:** 2.8500 (R1), 2.8550 (R2), 2.8600 (R3)
- **Key supports:** 2.8400 (S1), 2.8320 (S2), 2.8250 (S3)
- **Expected range for the day:** 2.8400 – 2.8500

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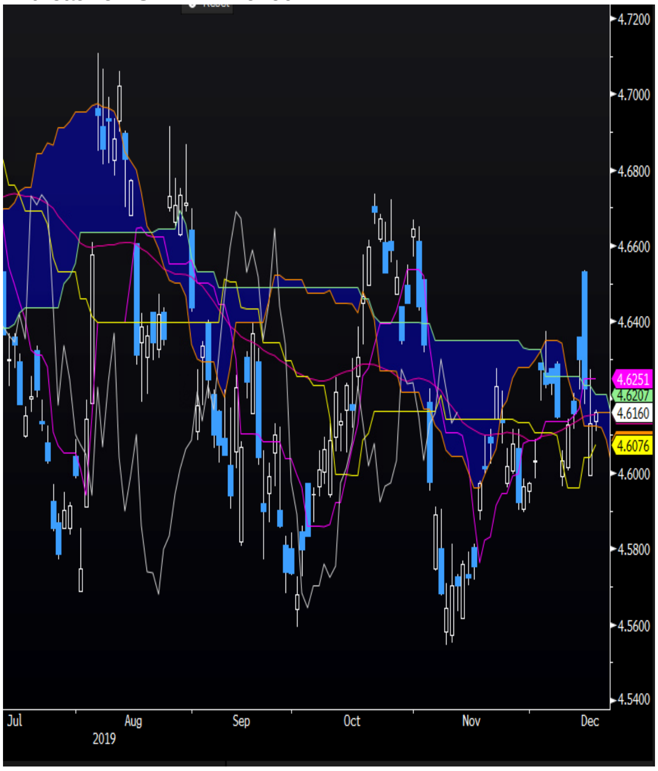
Indicative EURUSD 1.1139

Source: Bloomberg

- EURUSD opened unchanged at 1.1144 today. **Daily outlook neutral.**
- **Weekly and monthly outlook bearish.**
- **EUR is neutral with a bearish bias today** after slipping back below 1.1140 and is still likely to consolidate around 1.1120 to 1.1140 over relatively weak economic outlook. A better US data tonight likely gives a boost to the USD hence drives EUR lower. **Medium term outlook is bearish** on ECB's accommodative monetary policy stance and weaker fundamentals compared to that of the US.
- **Key resistances:** 1.1140 (R1), 1.1150 (R2), 1.1180 (R3)
- **Key supports:** 1.1120 (S1), 1.1100 (S2), 1.1080 (S3)
- **Expected range for the day:** 1.1120-1.1150

Indicative EURMYR 4.6160



Source: Bloomberg

- EURMYR opened virtually unchanged at 4.6136 today. **Daily outlook neutral.**
- **Weekly and monthly outlook bearish.**
- **We are neutral on EURMYR cross** as both currencies move relatively little against the USD today. **Medium term outlook is bearish** on ECB's accommodative monetary policy stance and weaker fundamentals compared to that of the US.
- **Key resistances:** 4.6200 (R1) 4.6300 (R1), 4.6400 (R3)
- **Key supports:** 4.6070 (S1), 4.6000 (S2), 4.5900 (S3)
- **Expected range for the day:** 4.6070 - 4.6250

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