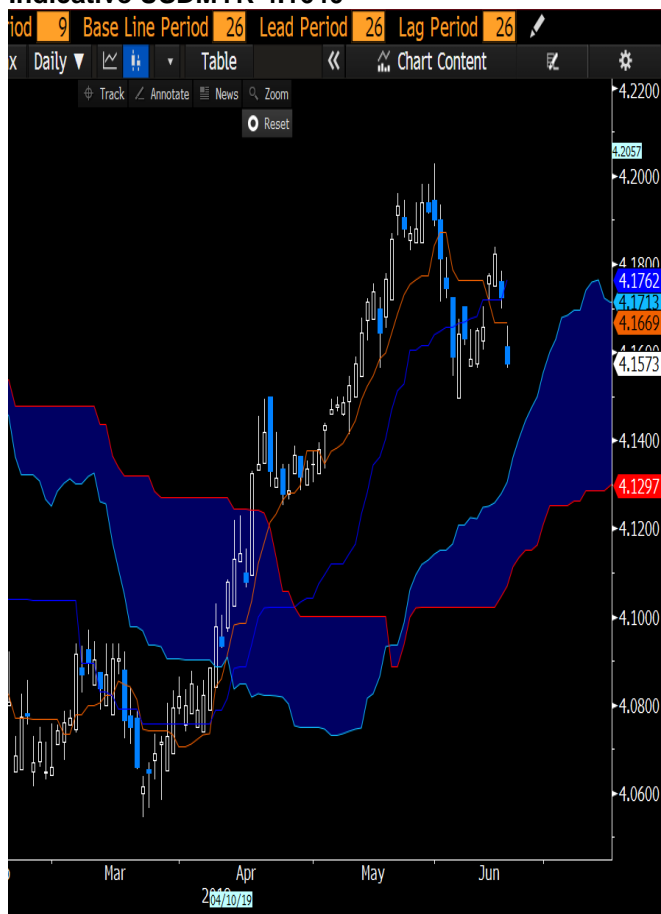


Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

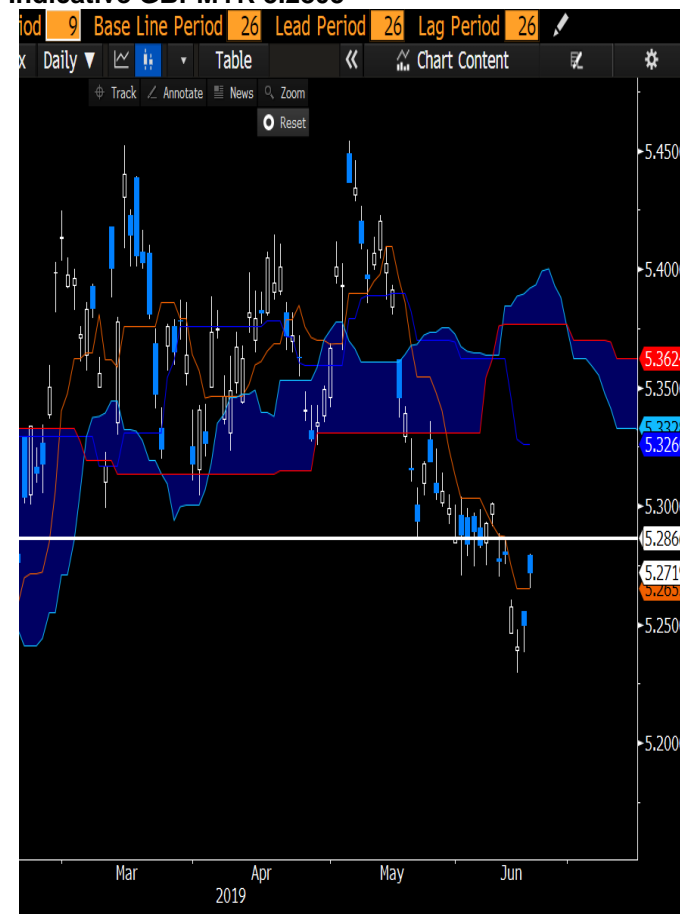
Indicative USDMYR 4.1640



Source: Bloomberg

- USDMYR opened 0.27% lower at 4.1613. **Daily outlook bearish.**
- **Weekly and monthly outlook bullish.**
- The Fed held steady as widely expected. However, the Fed removed its 'patient' language on monetary policy and instead highlighted the increasing uncertainties over the outlook and said it will 'act as appropriate' to sustain economic expansion. **We turn bearish USDMYR** over the medium term due to a dovish Fed, broad falling in USD and UST yields.
- **Key resistances:** 4.1700 (R1), 4.1750 (R2), 4.1800 (R3)
- **Key supports:** 4.1600 (S1), 4.1550 (S2), 4.1500 (S3)
- **Expected range for the day:** 4.1550– 4.1800

Indicative GBPMYR 5.2805

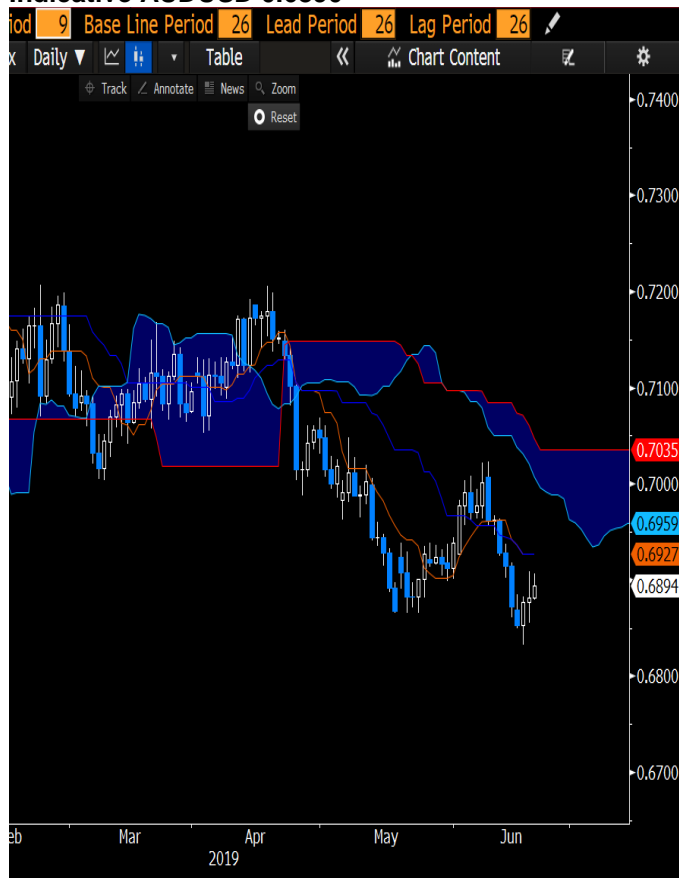


Source: Bloomberg

- GBPMYR opened higher by 0.57% at 5.2794 today. **Daily outlook neutral on conflicting components.**
- **Weekly outlook bearish and monthly outlook neutral.**
- It was all about USD weakness as the Fed turned dovish. Both components rallied against the USD giving a neutral outlook thus far. **We remain bearish GBP** as medium term outlook still favours a weaker GBP component going forward due to Brexit and UK leadership issues which remains unresolved.
- **Key resistances:** 5.2950 (R1), 5.3150 (R2), 5.3300 (R3)
- **Key supports:** 5.2700 (S1), 5.2600 (S2), 5.2500 (S3)
- **Expected range for the day:** 5.2700– 5.2950

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

Indicative AUDUSD 0.6890

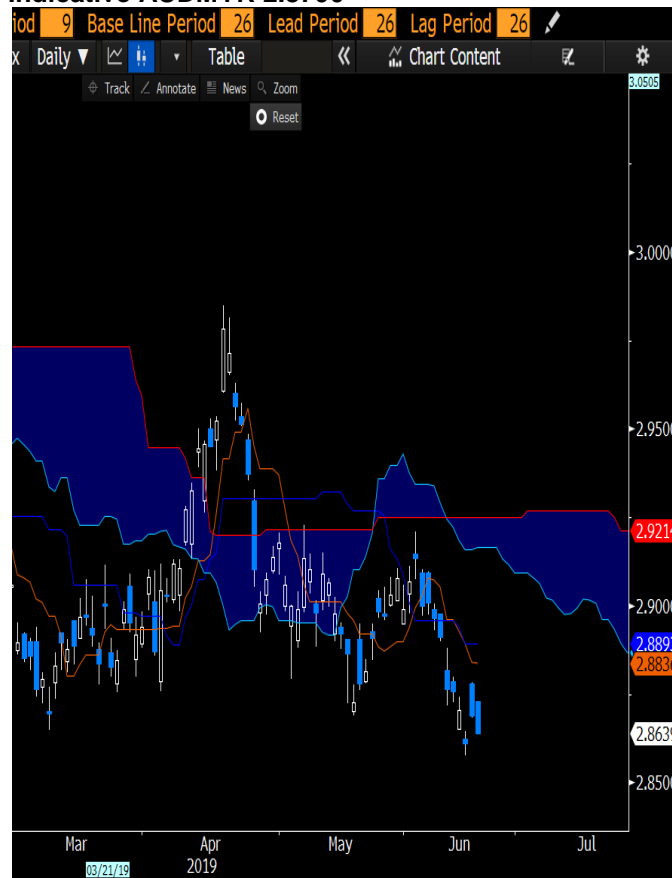


Source: Bloomberg

- AUDUSD opened unchanged at 0.6881 today. **Daily outlook bullish.**
- **Weekly outlook bearish and monthly outlook bearish.**
- **We remain bearish AUD** over the medium term as despite a dovish Fed, AUD still can't really take advantage of the weak USD to stage a rally due to investor expectations on future RBA cuts, that the RBA will match the Fed cut-for-cut thus giving the AUD a bearish outlook.
- **Key resistances:** 0.6900 (R1), 0.6925 (R2), 0.6950 (R3)
- **Key supports:** 0.6875 (S1), 0.6850 (S2), 0.6825 (S3)
- **Expected range for the day:** 0.6875- 0.6925

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

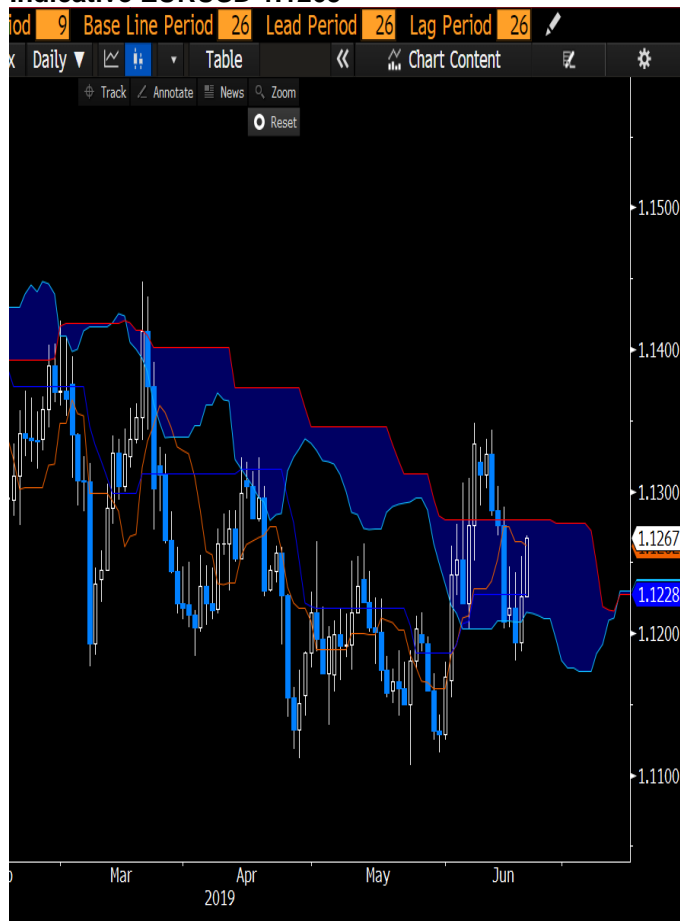
Indicative AUDMYR 2.8700



Source: Bloomberg

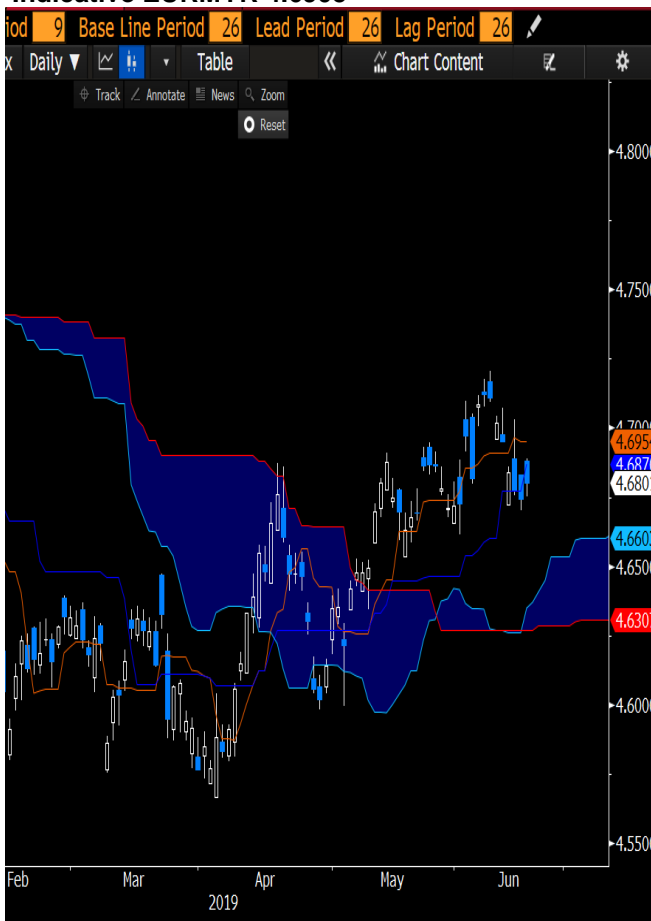
- AUDMYR opened 0.14% higher at 2.8730 today. **Daily outlook bearish on bullish MYR component.**
- **Weekly and monthly outlook bearish.**
- **We maintain bearishness on AUDMYR** over the medium term over weaker AUD component in view of dovish RBA minutes vs a bullish MYR component. Slower growth outlook and unresolved US-China trade dispute also likely to weigh on AUD component in the medium term.
- **Key resistances:** 2.8750 (R1), 2.8790 (R2), 2.8840 (R3)
- **Key supports:** 2.8675 (S1), 2.8625 (S2), 2.8575 (S3)
- **Expected range for the day:** 2.8625– 2.8750

Indicative EURUSD 1.1265



Source: Bloomberg

Indicative EURMYR 4.6905



Source: Bloomberg

- EURUSD opened unchanged at 1.1226 today. **Daily outlook bullish.**
- **Weekly outlook bullish and monthly outlook bearish.**
- **We remain bullish on EUR in the medium term** as the overall outlook continues to favour a weaker USD amidst rising Fed rate cut expectations over a dovish FOMC further cements our view. Sustained price action above 1.1280 pivot will likely create further upside momentum to the pair over the medium term.
- **Key resistances:** 1.1290 (R1), 1.1300 (R2), 1.1330 (R3)
- **Key supports:** 1.1240 (S1), 1.1230 (S2), 1.1200 (S3)
- **Expected range for the day:** 1.1230 – 1.1290
- EURMYR opened 0.30% higher at 4.6882 today. **Daily outlook neutral on conflicting components.**
- **Weekly outlook bullish, monthly outlook bearish.**
- **We turn neutral on pair over the short term** as conflicting components are giving a neutral outlook. Pair is likely to consolidate circa 4.68 area in between 4.66-4.70 broad range in the near term as we await further developments elsewhere.
- **Key resistances:** 4.7000 (R1) 4.7100 (R1), 4.7200 (R3)
- **Key supports:** 4.6800 (S1), 4.6700 (S2), 4.6600 (S3)
- **Expected range for the day:** 4.6800– 4.7000

* 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 Damansara

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hlbb.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.