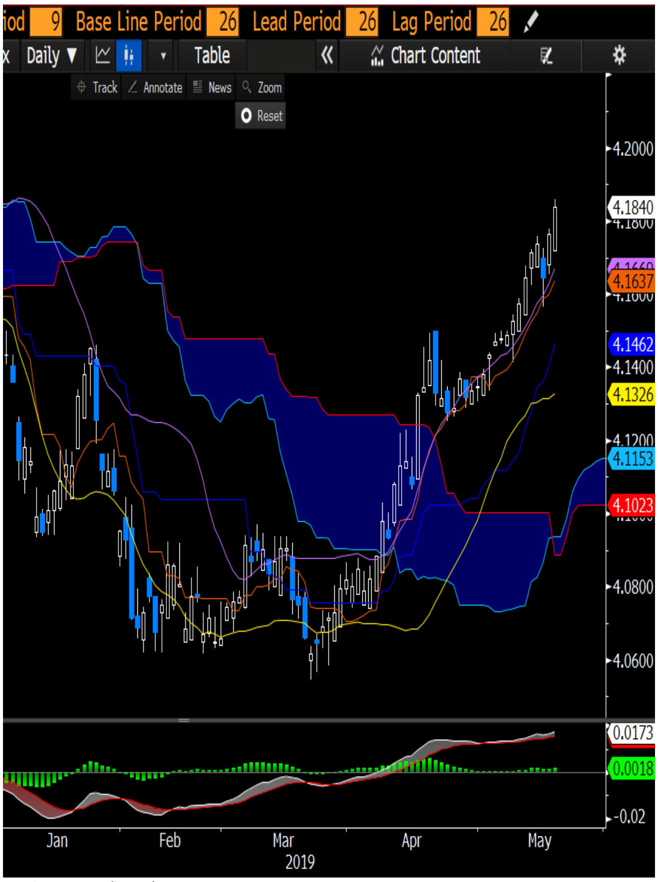
May 21, 2019

Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

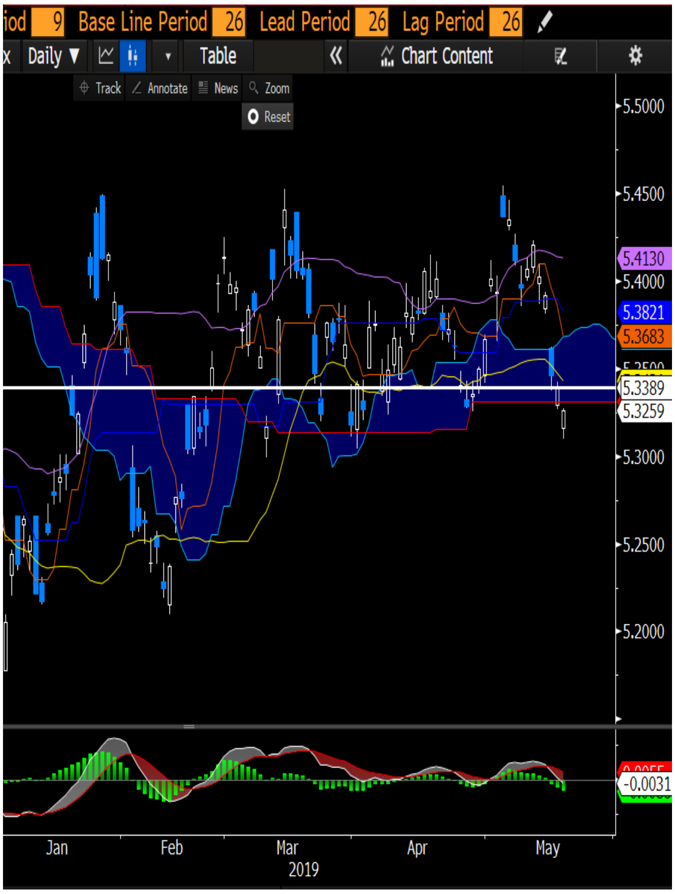
Indicative USDMYR 4.1800



Source: Bloomberg

- USDMYR opened 0.11% lower at 4.1720 today. **Daily outlook bullish.**
- **Weekly and monthly outlook bullish**.
- **MYR remains bearish** as US-China trade spat continues to dominate headlines with the Huawei fallout being the latest. Focus will also shift to FOMC minutes and ECB meeting where these 2 events will likely provide direction for the coming week.
- **Key resistances:** 4.1825 (R1), 4.1850 (R2), 4.1900 (R3)
- **Key supports:** 4.1775 (S1), 4.1750 (S2), 4.1700 (S3)
- **Expected range for the day:** 4.1750 – 4.1900

Indicative GBPMYR 5.3225



Source: Bloomberg

- GBPMYR opened 0.43% lower at 5.3161 today. **Daily outlook bearish**.
- **Weekly outlook bullish and monthly outlook neutral**.
- We remain bearish GBP, as the pair has continued to trade past various support levels as PM May tries to push her Brexit deal past Parliament with very little results. Short term support now at 5.2935 followed by 5.2660 with resistance now at 5.3500 and 5.3675.
- **Key resistances**: 5.3390 (R1), 5.3430 (R2), 5.3500 (R3)
- **Key supports**: 5.3120 (S1), 5.3000 (S2), 5.2850 (S3)
- **Expected range for the day:** 5.3050 – 5.3450

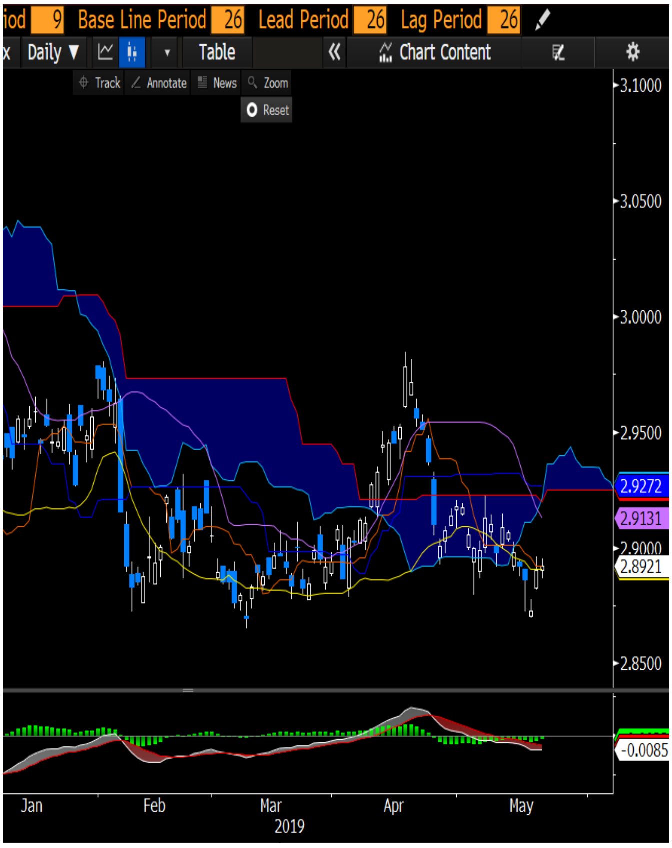
** levels are quoted based on spot prices at time of writing, bid/ask prices may vary*

Indicative AUDUSD 0.6922

Source: Bloomberg

- AUDUSD opened unchanged at 0.6908 today. **Daily outlook neutral.**
- **Weekly and monthly outlook bearish**.
- **We turn neutral on AUD** as the euphoria from elections which gave AUD a bounce to 0.6938 high intraday is likely to fade in the face of ongoing trade tensions especially after the Huawei restrictions. Indirect impact to AUD from ongoing tensions likely to weigh AUD towards 0.6800 with 0.6985 likely to cap things for now.
- **Key resistances:** 0.6950 (R1), 0.6985 (R2), 0.7015 (R3)
- **Key supports:** 0.6880 (S1), 0.6850 (S2), 0.6825 (S3)
- **Expected range for the day:** 0.6880 – 0.6940

Indicative AUDMYR 2.8940



Source: Bloomberg

- AUDMYR opened unchanged at 2.8904 today. **Daily outlook slightly bullish** on bullish MYR component**.**
- **Weekly and monthly outlook bearish**.
- We continue to maintain bullish AUDMYR as a positive USDMYR component continues to provide support for the pair. The pair is likely to continue higher towards 2.91 area where the 100DMA sits with 2.88 to provide short term support. Market focus now returns to trade headlines as Aussie election euphoria fades.
- **Key resistances:** 2.8975 (R1), 2.9020 (R2), 2.9080 (R3)
- **Key supports:** 2.8900 (S1), 2.8850 (S2), 2.8800 (S3)
- **Expected range for the day:** 2.8850 – 2.9000

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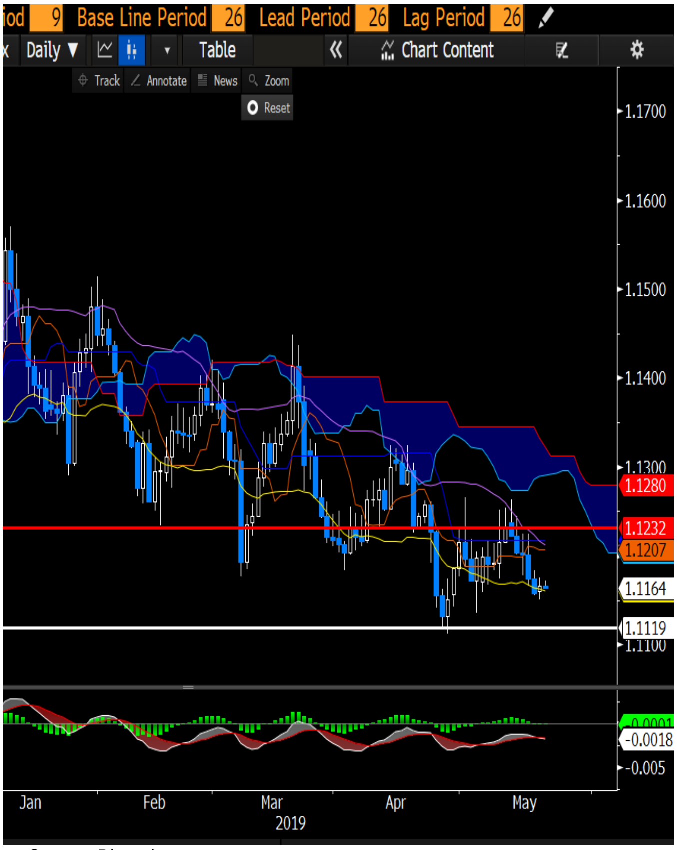
Indicative EURUSD 1.1165



Source: Bloomberg

- EURUSD opened unchanged at 1.1166 today. **Daily outlook bearish.**
- **Weekly outlook neutral and monthly outlook bearish**.
- **We maintain bearish EUR** as technical indicators remain negative suggesting further downside to EUR. Continued divergence between Eurozone economies and the US also likely to provide further drag to EUR although moves may be slower towards support area of circa 1.1100 the YTD lows.
- **Key resistances:** 1.1180 (R1), 1.1200 (R2), 1.1230 (R3)
- **Key supports:** 1.1150 (S1), 1.1120 (S2), 1.1100 (S3)
- **Expected range for the day:** 1.1130 – 1.1190

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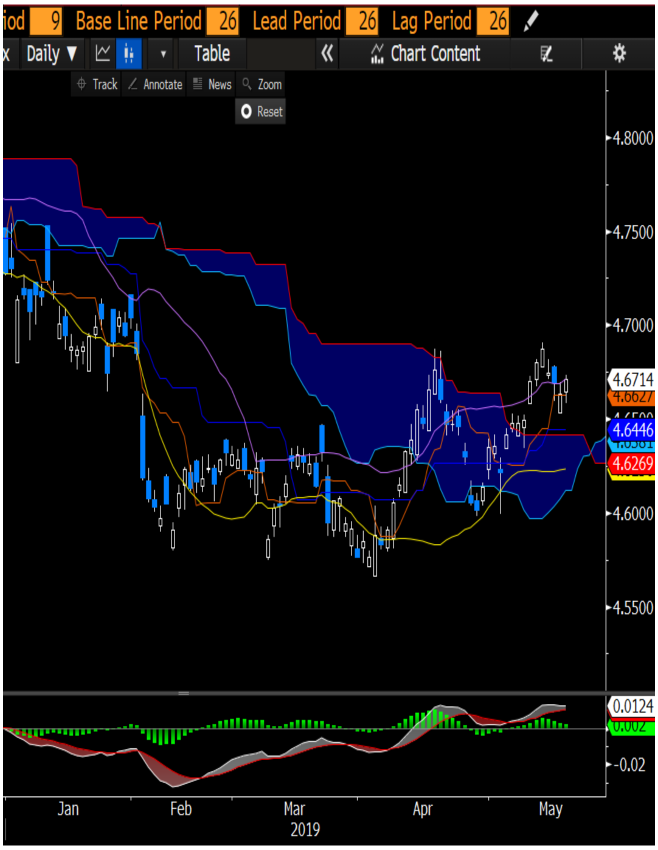
Indicative EURMYR 4.6680



Source: Bloomberg

- EURMYR opened 0.03% higher at 4.6645 today. **Daily outlook bullish** on bullish USDMYR component**.**
- **Weekly outlook bullish, monthly outlook bearish**.
- Bullish USDMYR component continues to drag EURMYR towards 4.6890 resistance. Conflicting EUR component however likely to continue to slow down the move with support coming in at 4.6400 and resistance at 4.6800 to cap short term movement for now.
- **Key resistances:** 4.6750 (R1) 4.6800 (R1), 4.6890 (R3)
- **Key supports:** 4.6600 (S1), 4.6500 (S2), 4.6400 (S3)
- **Expected range for the day:** 4.6500– 4.6800

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