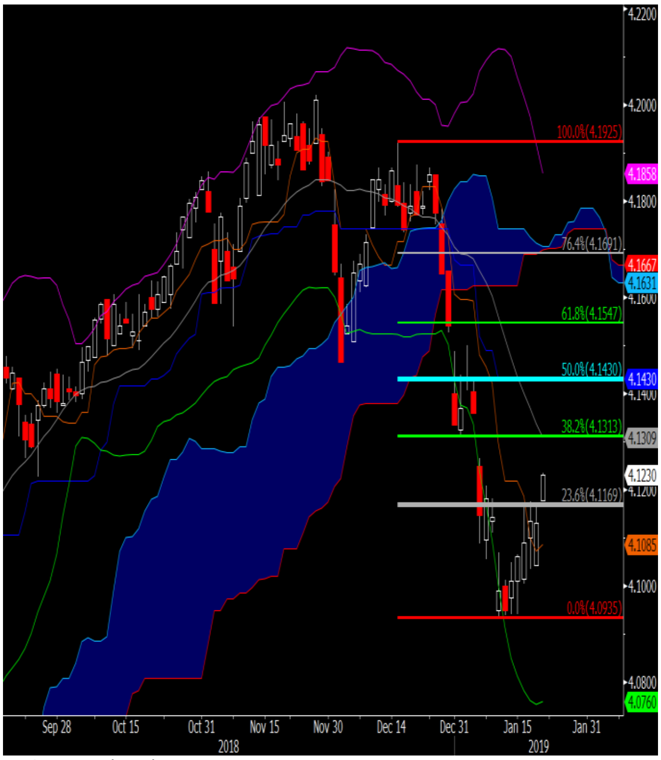
HongLeong Bank

Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

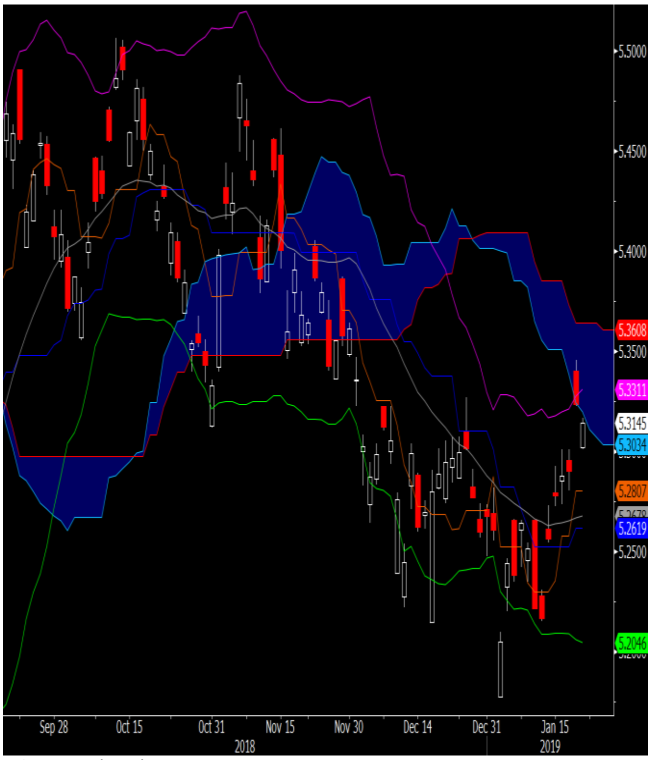
Indicative USDMYR 4.1230



Source: Bloomberg

- USDMYR opened higher today. **Daily outlook slightly bullish**, with MYR weighed down by continued recede in risk appetite in the markets.
- **Weekly outlook bullish, monthly outlook bearish**.
- A mild upward momentum has emerged, alongside lingering bullish trend, are both expected to tilt USDMYR towards the upside. With 4.1150 already broke, we set sights on a potential move towards 4.1313.
- **Continue to expect a potential climb to 4.1313**, otherwise curbed by a close below 4.1169.
- **Key resistances:** 4.1250 (R1), 4.1285 (R2), 4.1310 (R3)
- **Key supports:** 4.1210 (S1), 4.1200 (S2), 4.1180 (S3)
- **Expected range for the day:** 4.1175 – 4.1250

Indicative GBPMYR 5.3145

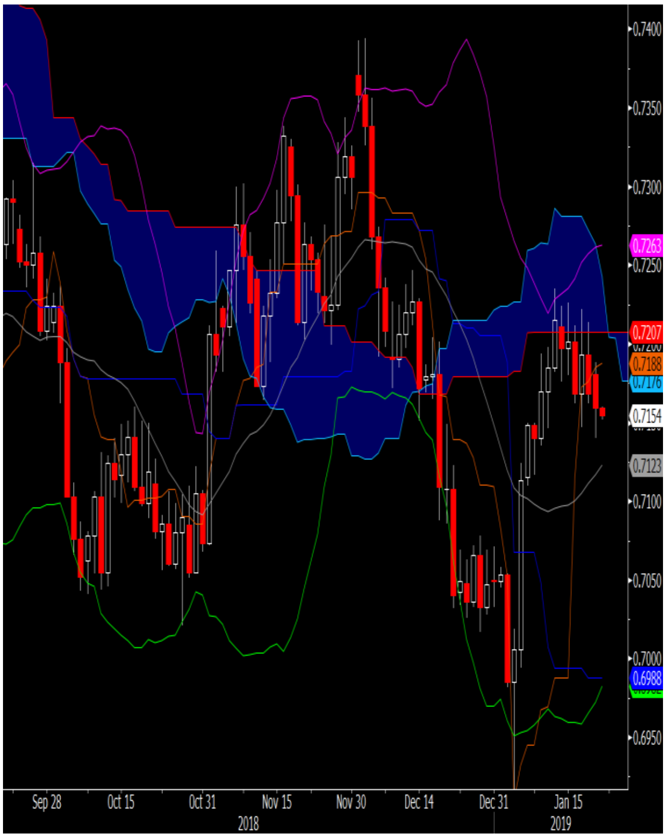


Source: Bloomberg

- GBPMYR opened 217pips lower at 5.3019 today. **Daily outlook slightly bearish**, weighed down by the sharply lower opening.
- **Weekly and monthly outlook bullish**.
- Despite a bearish daily view, we expect GBPMYR to remain tilted upwards amid rising upward momentum and prevailing bullish trend. Expect another attempt to break 5.3313 going forward, above which 5.3608 will be targeted.
- **Expect a potential advance to 5.3313**, otherwise curbed by a close below 5.3000.
- **Key resistances**: 5.3197 (R1), 5.3216 (R2), 5.3313 (R3)
- **Key supports**: 5.3106 (S1), 5.3077 (S2), 5.3040 (S3)
- **Expected range for the day:** 5.3000 – 5.3180

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

Indicative AUDUSD 0.7154



Source: Bloomberg

- AUDUSD opened unchanged at 0.7159 today. **Daily outlook bearish**, weighed down by slowdown concerns in China and cautiousness over progress of US-China trade talks.

- **Weekly outlook bearish, monthly outlook bullish**.

- Bearish trend prevails and AUDUSD is expected to push lower, with room to break below 0.7123. But caution that some bounces may take place circa 0.7100.

- **Expect a potential decline to 0.7100**, otherwise curbed by a close above 0.7169.

- **Key resistances:** 0.7169 (R1), 0.7188 (R2), 0.7200 (R3)

- **Key supports:** 0.7140 (S1), 0.7122 (S2), 0.7110 (S3)

- **Expected range for the day:** 0.7130 – 0.7160

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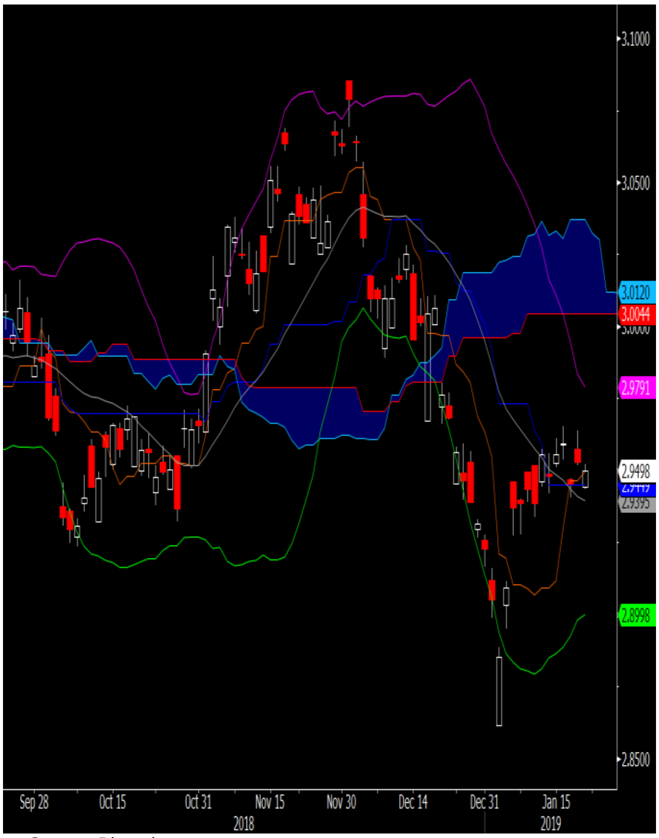
Indicative AUDMYR 2.9498



Source: Bloomberg

- AUDMYR opened 86pips lower at 2.9443 today. **Daily outlook slightly bearish**, with AUD weighed down by risk aversion in the markets.

- **Weekly outlook neutral, monthly outlook bullish**.

- Upside bias in AUDMYR is looking more dubious after failing to beat 2.9640. Risk of a slide lower is rising, and we caution that inability to close above 2.9500 will push AUDMYR lower going forward, possibly testing 2.9369 in the next leg lower.

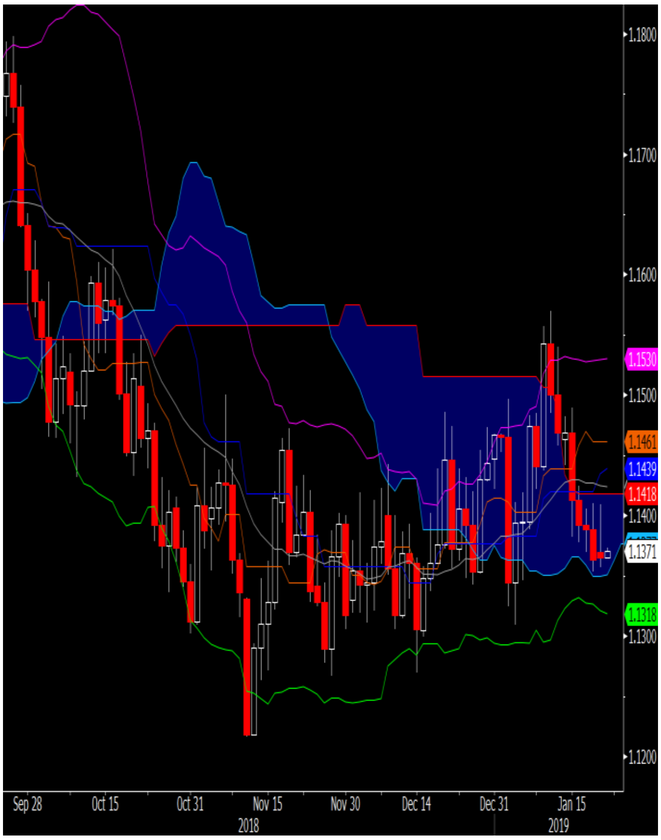
- **AUDMYR is now unlikely to advance to 2.9675**.

- **Key resistances:** 2.9535 (R1), 2.9593 (R2), 2.9640 (R3)

- **Key supports:** 2.9495 (S1), 2.9473 (S2), 2.9449 (S3)

- **Expected range for the day:** 2.9430 – 2.9520

Indicative EURUSD 1.1371



Source: Bloomberg

- EURUSD opened unchanged at 1.1365 today. **Daily outlook bearish** as buying interest in EUR is likely to wane heading into ECB meeting.
- **Weekly outlook bearish, monthly outlook neutral**.
- Bearish trend alongside increased downward momentum are both likely to keep EURUSD pressured. Unless a rebound beats 1.1392, expect further losses going forward with room to slide to or even below 1.1350.
- **Continue to expect a potential decline to 1.1350**.
- **Key resistances:** 1.1382 (R1), 1.1402 (R2), 1.1418 (R3)
- **Key supports:** 1.1367 (S1), 1.1350 (S2), 1.1320 (S3)
- **Expected range for the day:** 1.1340 – 1.1385

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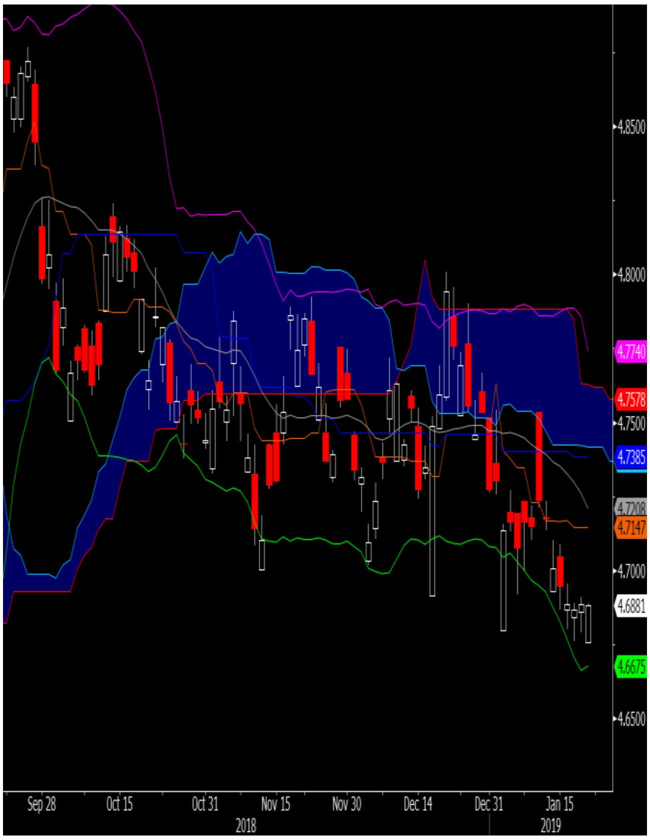
Indicative EURMYR 4.6881



Source: Bloomberg

- EURMYR opened 125pips lower at 4.6759 today. **Daily outlook slightly bearish**, anticipating a softer EUR going into European session.
- **Weekly and monthly outlook bearish**.
- Bearish trend prevails thus we maintain the view of a softer EURMYR going forward. There is room for a test 4.6639, but we continue to caution that EURMYR is unlikely to stay below 4.6815 for long, and may be attempting a rebound above it in the coming week.
- **Key resistances:** 4.6913 (R1), 4.6944 (R2), 4.7000 (R3)
- **Key supports:** 4.6867 (S1), 4.6817 (S2), 4.6792 (S3)
- **Expected range for the day:** 4.6755 – 4.6915

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