March 22, 2019

Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

Indicative USDMYR 4.0620

Source: Bloomberg

- USDMYR opened 4.0650 today. **Daily outlook bearish** on technicals as we approach a slew of resistance due to previous supports.
- **Weekly bearish and monthly outlook neutral**.
- FOMC has removed uncertainties in terms of the Fed's normalization policy. In the longer run, this is overall USD bearish as investors funds will flow into higher yielding assets which would be positive for MYR.
- **Key resistances:** 4.0700 (R1), 4.0850 (R2), 4.1000 (R3)
- **Key supports:** 4.0550 (S1), 4.0500 (S2), 4.0400 (S3)
- **Expected range for the day:** 4.0580 – 4.0700

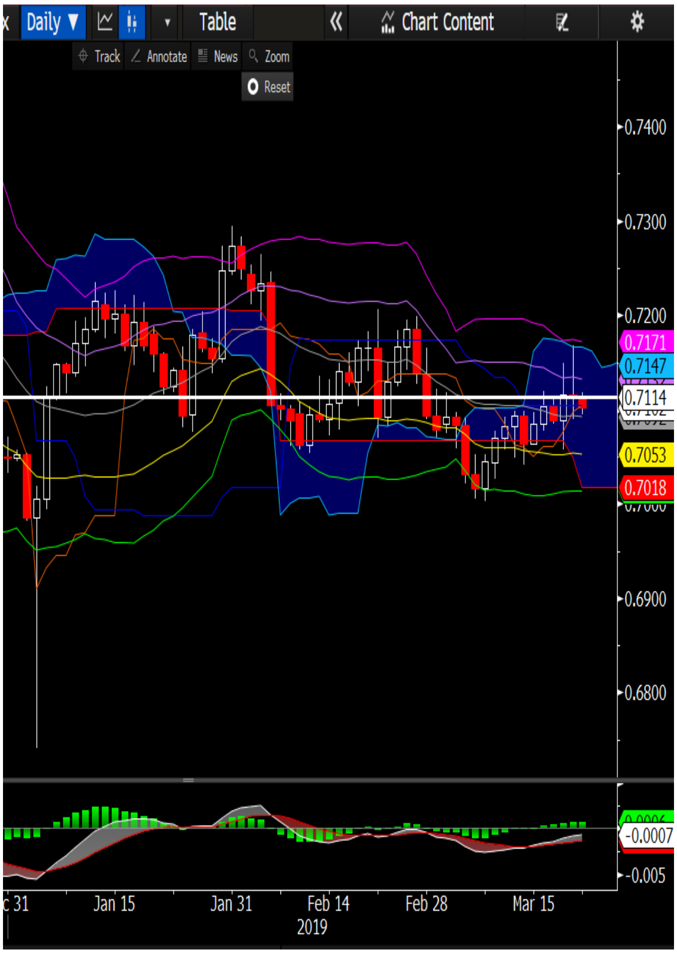
Indicative GBPMYR 5.3330

Source: Bloomberg

- GBPMYR opened 0.63%lower at 5.3475 today. **Daily outlook slightly bullish** on short term technical as we approach stronger support zone and a weaker MYR.
- **Weekly bearish, monthly outlook neutral**.
- GBPMYR has come off strongly since the beginning of the week to trade near the stronger support zones as Brexit drama continues to unfold. Look towards headlines and developments surrounding 12 April cliff-edge deadline.
- **Key resistances**: 5.3405 (R1), 5.3645 (R2), 5.3914 (R3)
- **Key supports**: 5.2986 (S1), 5.2791 (S2), 5.2500 (S3)
- **Expected range for the day:** 5.2971 – 5.3615

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

Indicative AUDUSD 0.7110



Source: Bloomberg

- AUDUSD opened at 0.7112 today. **Daily outlook neutral to slightly bullish.** Continued positive commodity prices and a dovish Fed to drive further AUD strength against the USD.

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

- The pair seems to be consistently making higher lows and higher highs although not successively but more on a weekly basis. This further strengthens the mild bullish view that we have on the pair.

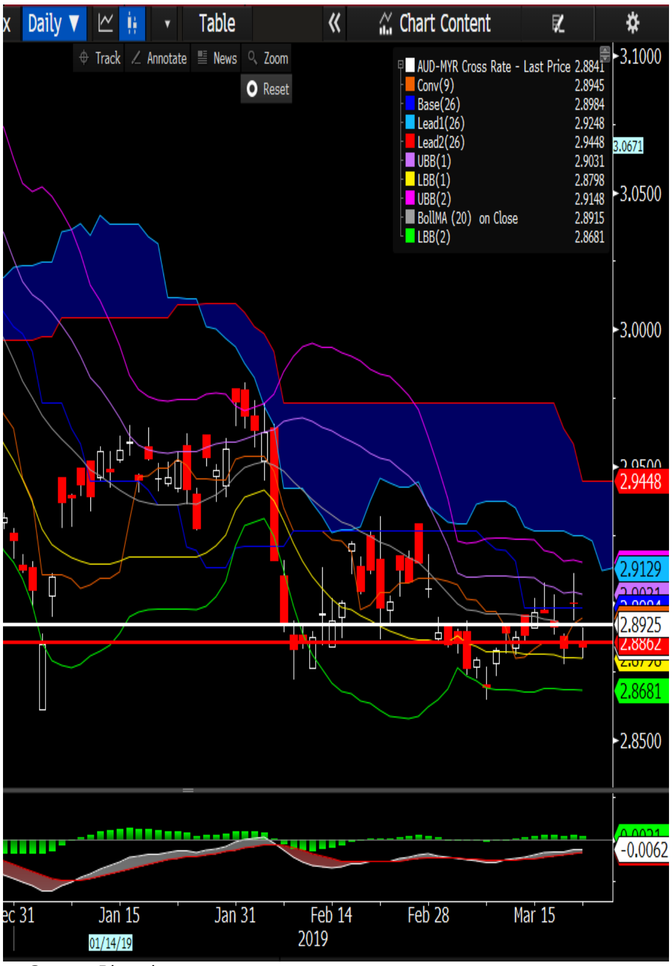
- **Expect a steady move higher to medium term objective 0.7200**.

- **Key resistances:** 0.7150 (R1), 0.7175 (R2), 0.7200 (R3)

- **Key supports:** 0.7075 (S1), 0.7050 (S2), 0.7000 (S3)

- **Expected range for the day:** 0.7070 – 0.7140

Indicative AUDMYR 2.8830



Source: Bloomberg

- AUDMYR opened unchanged at 2.8863 today. **Daily outlook neutral to slightly bearish.**

- **Weekly outlook neutral and monthly outlook bearish**.

- Short term wise, the pair seems to be trading near the short term support established last 2 weeks and looks likely to break the support to trade towards longer term support of 2.8650.

- **Expect a long two way tussle lower as the pair heads lower on a stronger MYR**.

- **Key resistances:** 2.8935 (R1), 2.9037 (R2), 2.9140 (R3)

- **Key supports:** 2.8733 (S1), 2.8650 (S2), 2.8600 (S3)

- **Expected range for the day:** 2.8700 – 2.8947

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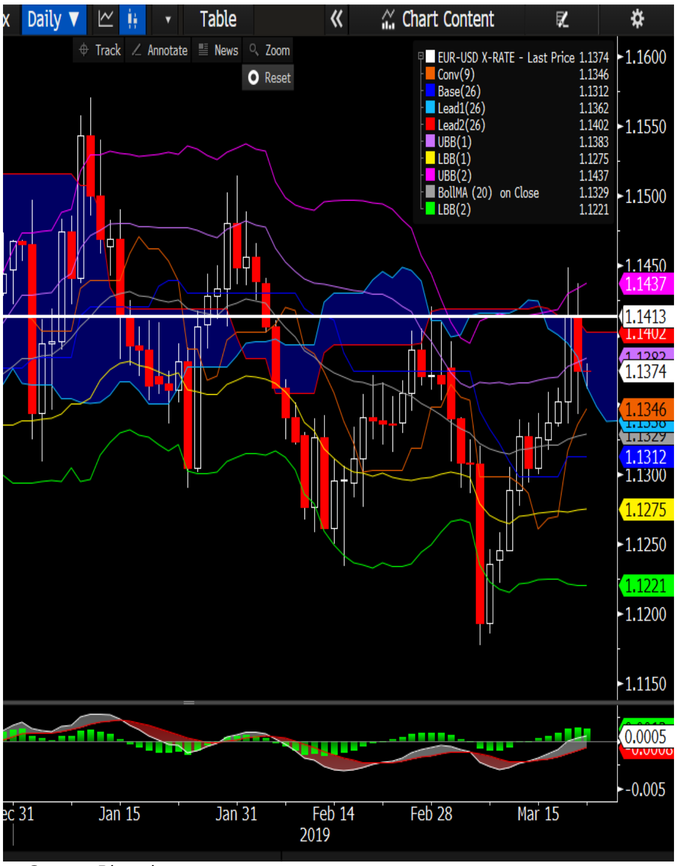
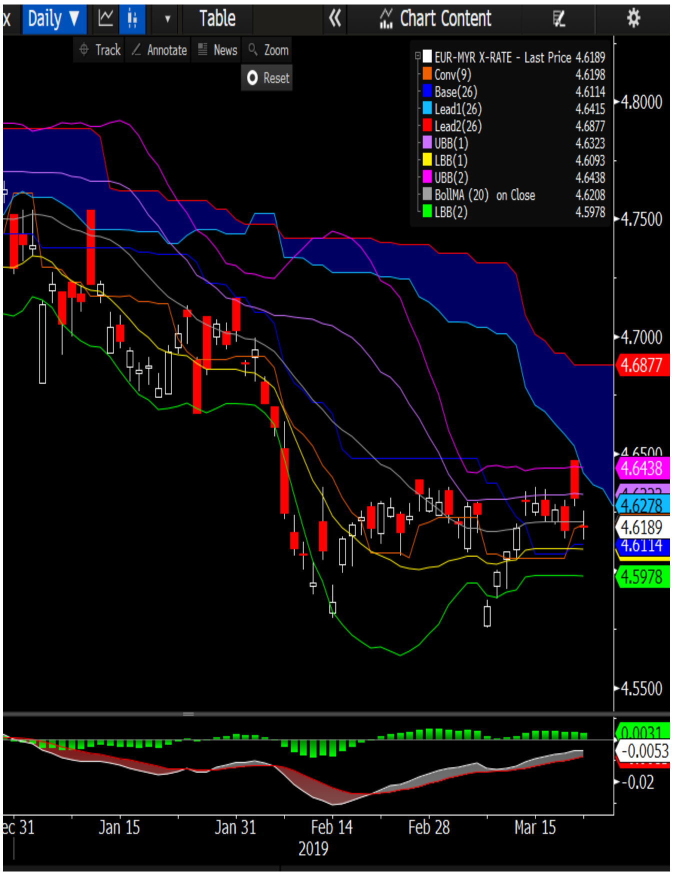
Indicative EURUSD 1.1370



Source: Bloomberg

- EURUSD opened at 1.1375 today. **Daily outlook slightly bearish**.
- **Weekly outlook bullish and monthly outlook neutral**.
- Profit taking post-FOMC likely contributed to the slump past session. We now sit at the Ichimoku cloud bottom where it should provide some support.
- **Given the Fed's affirmation of its dovish stance, would expect the pair to slowly trade higher although would like to wait till the start of next week to confirm short term position adjustments are done.**
- **Key resistances:** 1.1401 (R1), 1.1431 (R2), 1.1487 (R3)
- **Key supports:** 1.1337 (S1), 1.1300 (S2), 1.1267 (S3)
- **Expected range for the day:** 1.1335 – 1.1405

Indicative EURMYR 4.6200



Source: Bloomberg

- EURMYR opened 4 pips higher at 4.6170 today. **Daily outlook bearish.**
- **Weekly outlook neutral, monthly outlook bearish**.
- A more neutral outlook is expected for the pair as FOMC removed normalization uncertainties which is positive for both MYR and EUR.
- **Look towards shorter term headlines now for direction ques**.
- **Key resistances:** 4.6255 (R1), 4.6455 (R2), 4.6600 (R3)
- **Key supports:** 4.6026 (S1), 4.5900 (S2), 4.5720 (S3)
- **Expected range for the day:** 4.6013 – 4.6300

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