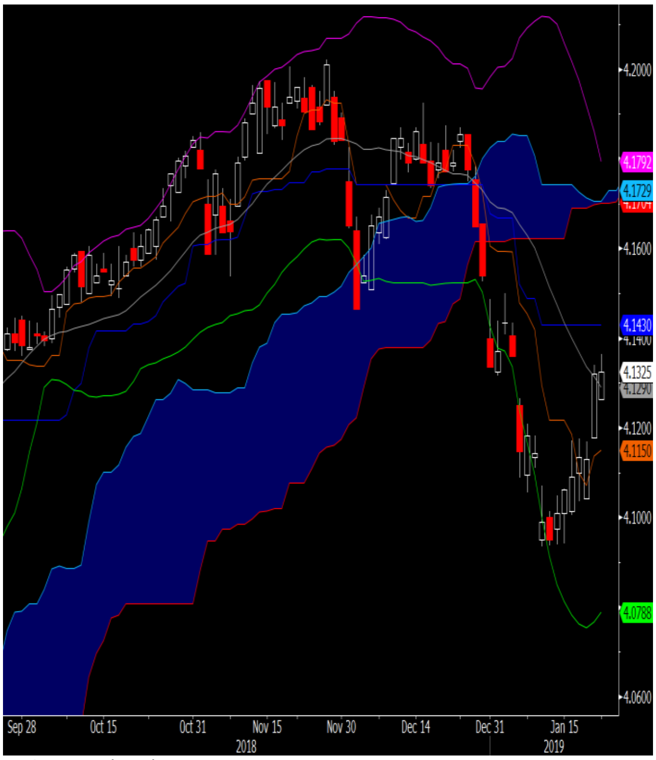
January 23, 2019

Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

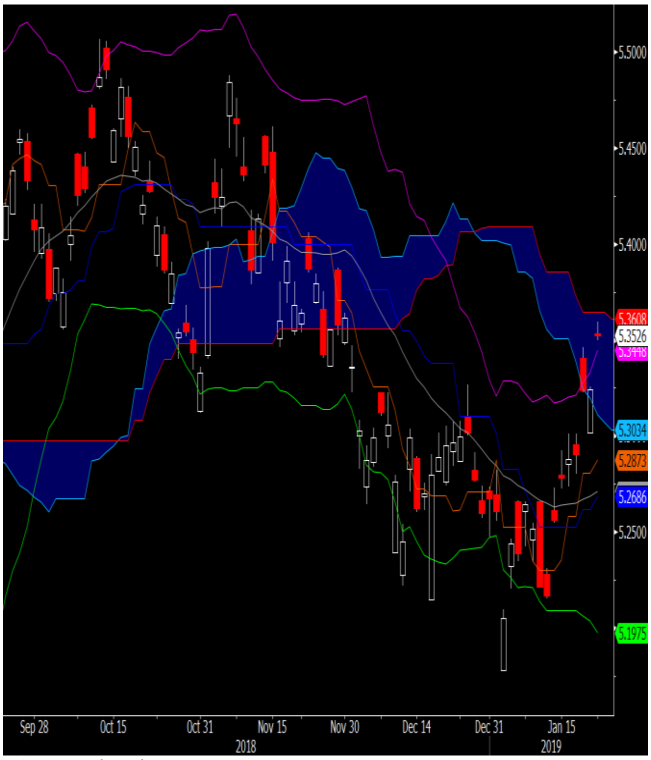
Indicative USDMYR 4.1325



Source: Bloomberg

- USDMYR opened lower today. **Daily outlook slightly bullish**, with MYR pressured by softer global growth outlook.
- **Weekly outlook bullish, monthly outlook bearish**.
- A mild upward momentum continues to prevail, alongside lingering bullish trend, are both expected to tilt USDMYR towards the upside. Now that 4.1313 has been broken, we expect USDMYR to soon challenge 4.1385 – 4.1400.
- **USDMYR expectedly climbed to 4.1313**.
- **Key resistances:** 4.1350 (R1), 4.1385 (R2), 4.1400 (R3)
- **Key supports:** 4.1300 (S1), 4.1290 (S2), 4.1265 (S3)
- **Expected range for the day:** 4.1260 – 4.1400

Indicative GBPMYR 5.3526

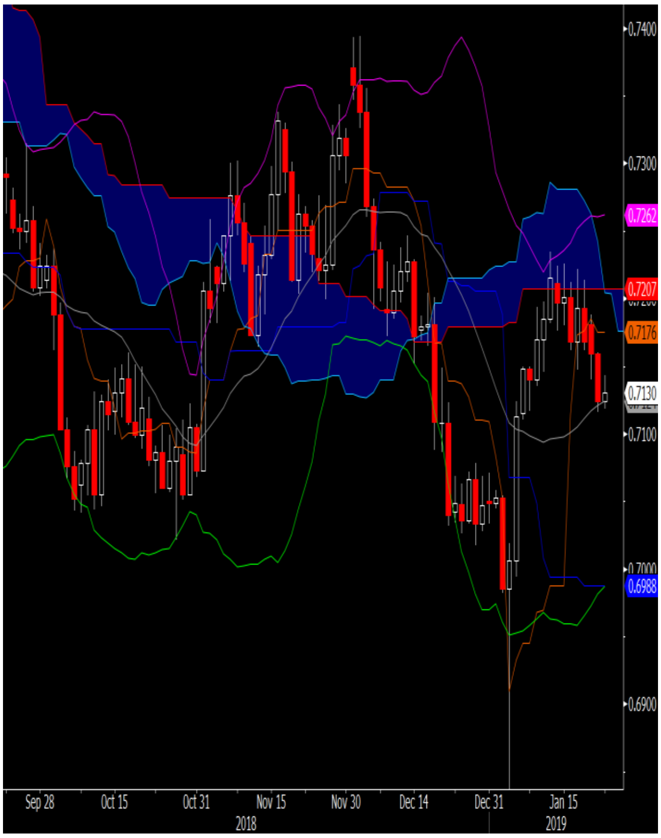


Source: Bloomberg

- GBPMYR opened 292pips higher at 5.3534 today. **Daily outlook bullish**, lifted by the sharply higher opening and potential for further GBP gains.
- **Weekly and monthly outlook bullish**.
- GBPMYR remains tilted upwards amid rising upward momentum and prevailing bullish trend. While gains are likely to prevail, we now caution on potential rejection approaching 5.3644. Beating this exposes a move to 5.3874.
- **GBPMYR expectedly advanced to, and above, 5.3313**.
- **Key resistances**: 5.3594 (R1), 5.3644 (R2), 5.3662 (R3)
- **Key supports**: 5.3500 (S1), 5.3453 (S2), 5.3404 (S3)
- **Expected range for the day:** 5.3480 – 5.3620

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

Indicative AUDUSD 0.7130



Source: Bloomberg

- AUDUSD opened unchanged at 0.7124 today. **Daily outlook slightly bullish**, anticipating rising speculation that China would implement measures to curb further slowdown of its economy.
- **Weekly outlook bearish, monthly outlook bullish**.
- Technically, we expect some bounces higher in 1-2 days as part of a correction to recent losses. Unless AUDUSD beats 0.7168, a bearish trend still prevails and likely to see AUDUSD headed lower going forward.
- **Continue to expect a potential decline to 0.7100**.
- **Key resistances:** 0.7146 (R1), 0.7169 (R2), 0.7176 (R3)
- **Key supports:** 0.7124 (S1), 0.7100 (S2), 0.7085 (S3)
- **Expected range for the day:** 0.7100 – 0.7150

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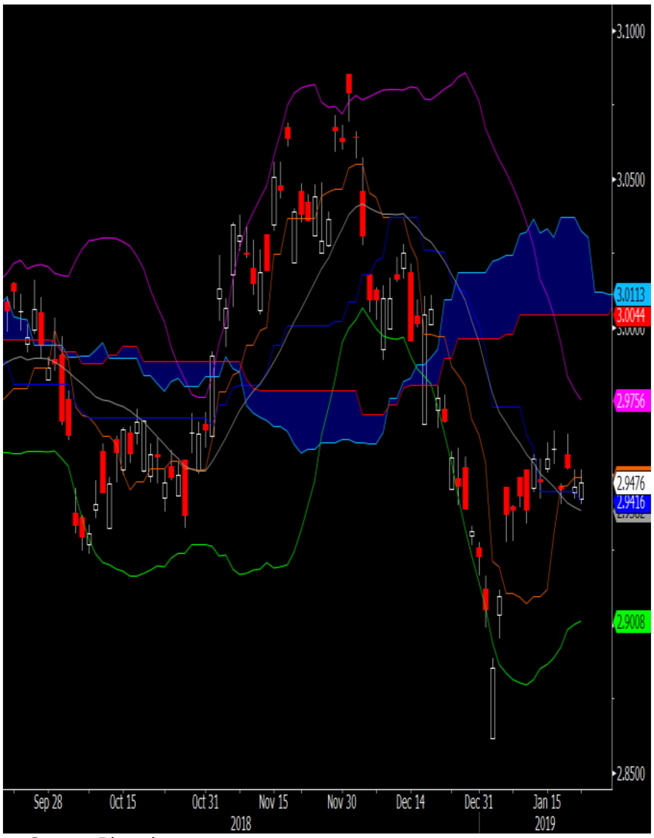
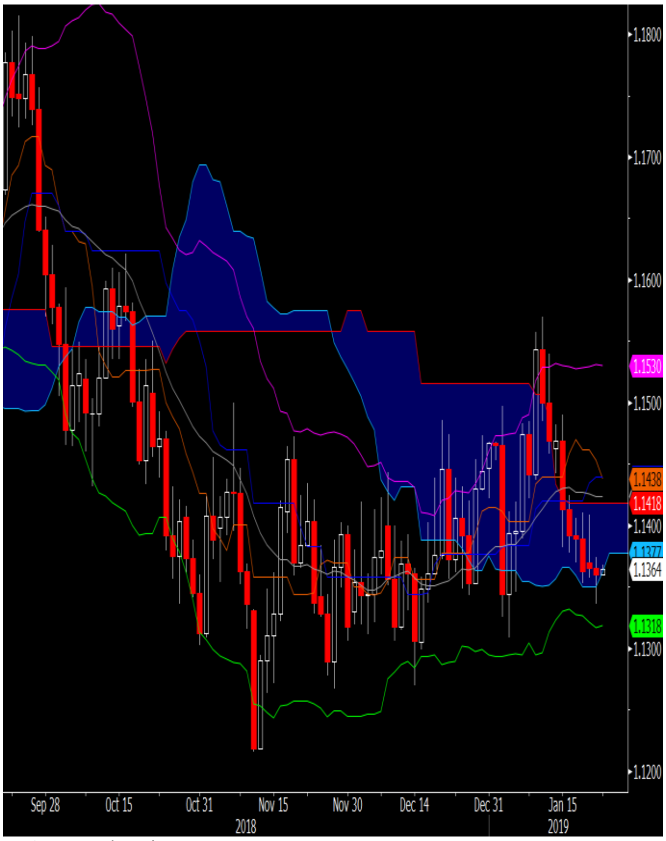
Indicative AUDMYR 2.9476



Source: Bloomberg

- AUDMYR opened 38pips lower at 2.9424 today. **Daily outlook neutral** on technical reasons.
- **Weekly outlook bearish, monthly outlook bullish**.
- Upside bias in AUDMYR continues to appear dubious after. Risk of a slide lower is rising, and we caution that inability to close above 2.9521 will push AUDMYR lower going forward, possibly testing 2.9369 in the next leg lower.
- **Key resistances:** 2.9495 (R1), 2.9521 (R2), 2.9570 (R3)
- **Key supports:** 2.9445 (S1), 2.9416 (S2), 2.9400 (S3)
- **Expected range for the day:** 2.9400 – 2.9530

Indicative EURUSD 1.1364



Source: Bloomberg

- EURUSD opened unchanged at 1.1360 today. **Daily outlook bearish** as risk aversion is likely to rise heading into ECB meeting, on top of receding expectation on ECB to normalize policy given as softer global outlook.
- **Weekly outlook bearish, monthly outlook neutral**.
- Bearish trend alongside increased downward momentum are both likely to keep EURUSD pressured. Unless a rebound beats 1.1389, there will be room to slide below 1.1350.
- **EURUSD expectedly declined to 1.1350**.
- **Key resistances:** 1.1367 (R1), 1.1371 (R2), 1.1381 (R3)
- **Key supports:** 1.1350 (S1), 1.1336 (S2), 1.1320 (S3)
- **Expected range for the day:** 1.1340 – 1.1375

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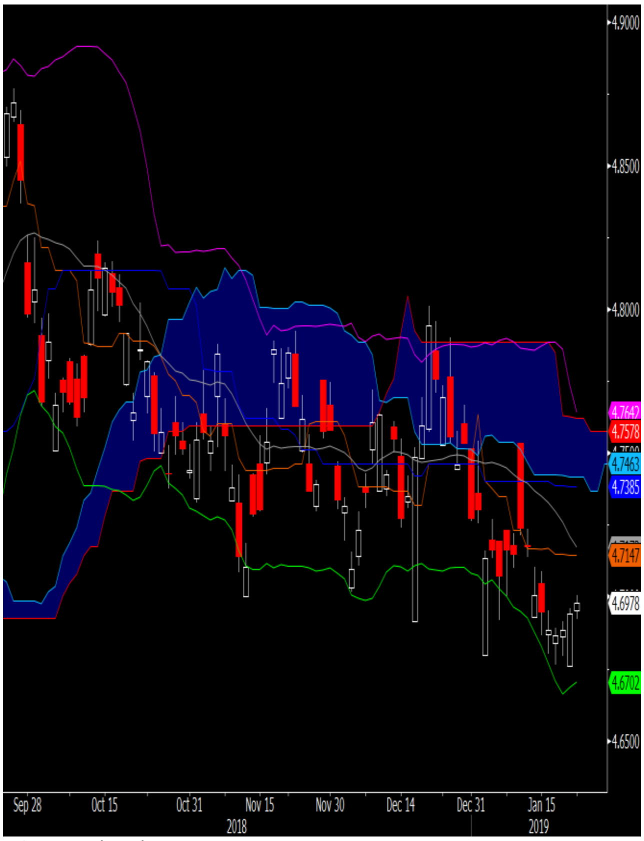
Indicative EURMYR 4.6978



Source: Bloomberg

- EURMYR opened 13pips higher at 4.6954 today. **Daily outlook slightly bullish** on technical reasons.
- **Weekly and monthly outlook bearish**.
- The bearish trend has been overturned by yesterday's rally. EURMYR is now tilted to the upside, with room to test 4.7037 in the next leg higher, above which 4.7147 will be targeted.
- **Key resistances:** 4.7000 (R1), 4.7037 (R2), 4.7101 (R3)
- **Key supports:** 4.6954 (S1), 4.6937 (S2), 4.6913 (S3)
- **Expected range for the day:** 4.6920 – 4.7050

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