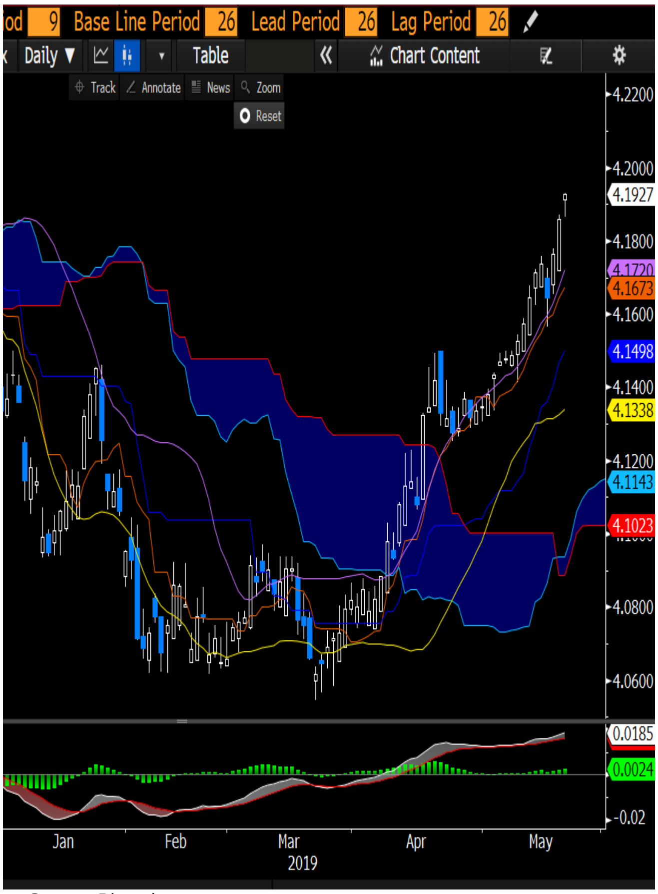
May 23, 2019

Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

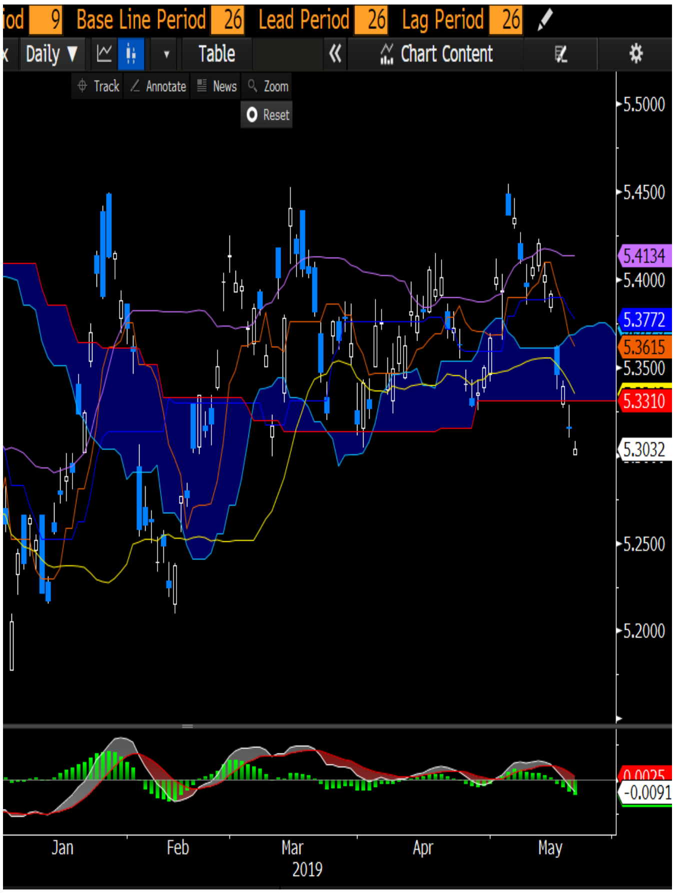
Indicative USDMYR 4.1930



Source: Bloomberg

- USDMYR opened 0.13% higher at 4.1912 today in line with stronger USD/AXJ. **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. ECB meeting will likely provide direction for the coming week as the remaining significant event on the data calendar.
- **Key resistances:** 4.1950 (R1), 4.1975 (R2), 4.2000 (R3)
- **Key supports:** 4.1875 (S1), 4.1850 (S2), 4.1800 (S3)
- **Expected range for the day:** 4.1850 – 4.1975

Indicative GBPMYR 5.3070

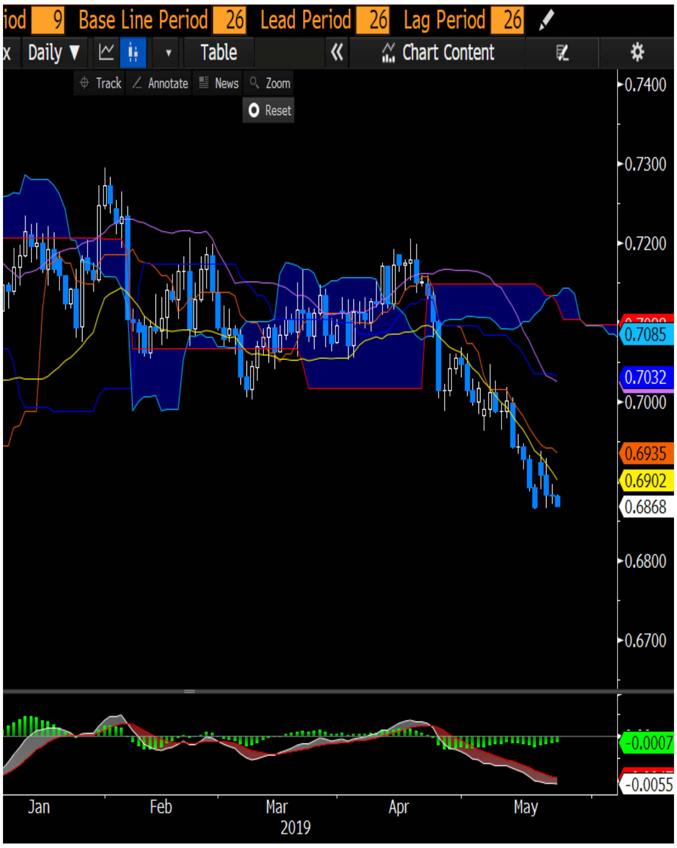


Source: Bloomberg

- GBPMYR opened 0.28% lower at 5.3004 today. **Daily outlook bearish**.
- **Weekly outlook bearish and monthly outlook neutral**.
- We remain bearish GBP, as PM May continues to push her Brexit deal through Parliament with nothing to show for, increasing the chances of a hard Brexit. Expect further weakness as threats of MP resignations begins to grab headlines.
- **Key resistances**: 5.3200 (R1), 5.3385 (R2), 5.3500 (R3)
- **Key supports**: 5.3000 (S1), 5.2850 (S2), 5.2700 (S3)
- **Expected range for the day:** 5.2850 – 5.3200

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

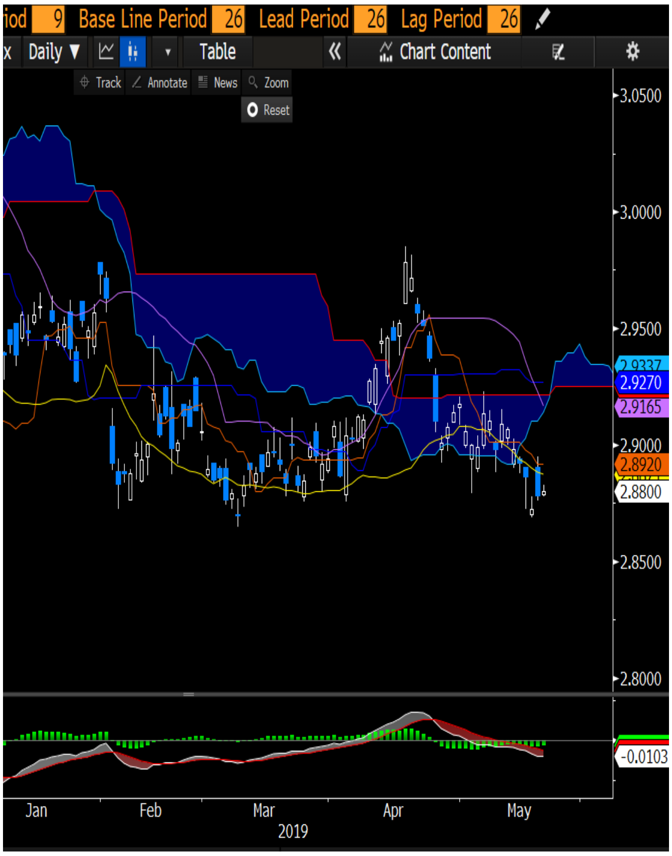
Indicative AUDUSD 0.6874



Source: Bloomberg

- AUDUSD opened unchanged at 0.6882 today. **Daily outlook bearish.**
- **Weekly and monthly outlook bearish**.
- **We turn bearish on AUD** as the euphoria from elections has faded and investors now look towards the reality that is facing the AUD in the form of trade tensions and RBA comments. RBA minutes showed that there is a high likelihood of a rate cut in June should the job numbers not live up to expectations.
- **Key resistances:** 0.6900 (R1), 0.6925 (R2), 0.6950 (R3)
- **Key supports:** 0.6850 (S1), 0.6825 (S2), 0.6800 (S3)
- **Expected range for the day:** 0.6840 – 0.6900

Indicative AUDMYR 2.8820



Source: Bloomberg

- AUDMYR opened marginally higher at 2.8787 today. **Daily outlook neutral** on bullish USDMYR component**.**
- **Weekly and monthly outlook bearish**.
- We turn bearish AUDMYR as bullish USDMYR component fails to support pair higher to above the mid-point of the Bollinger band. Pair is now flirting around short term support of 2.88 and likely continue lower given the gloomy rate cut comments. Failure of 2.8675 the bottom of the Bollinger will expose 2.8500 stronger support.
- **Key resistances:** 2.8940 (R1), 2.9050 (R2), 2.9120 (R3)
- **Key supports:** 2.8750 (S1), 2.8675 (S2), 2.8500 (S3)
- **Expected range for the day:** 2.8750 – 2.8950

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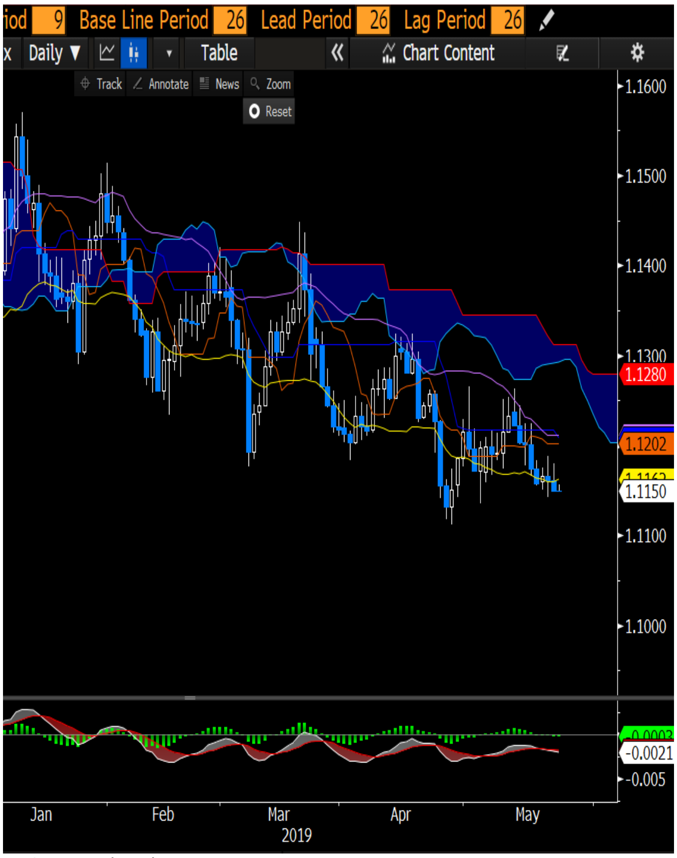
Indicative EURUSD 1.1153



Source: Bloomberg

- EURUSD opened unchanged at 1.1150 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:** 1.1130 (S1), 1.1120 (S2), 1.1100 (S3)
- **Expected range for the day:** 1.1130 – 1.1180

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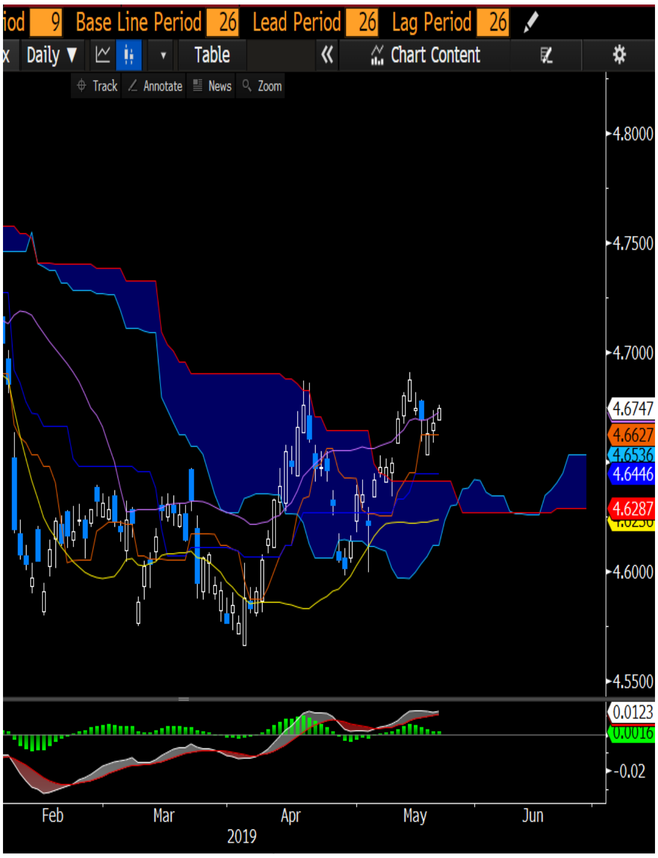
Indicative EURMYR 4.6770



Source: Bloomberg

- EURMYR opened 0.03% higher at 4.6694 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:** 4.6800 (R1) 4.6890 (R1), 4.7040 (R3)
- **Key supports:** 4.6650 (S1), 4.6500 (S2), 4.6400 (S3)
- **Expected range for the day:** 4.6650– 4.6900

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