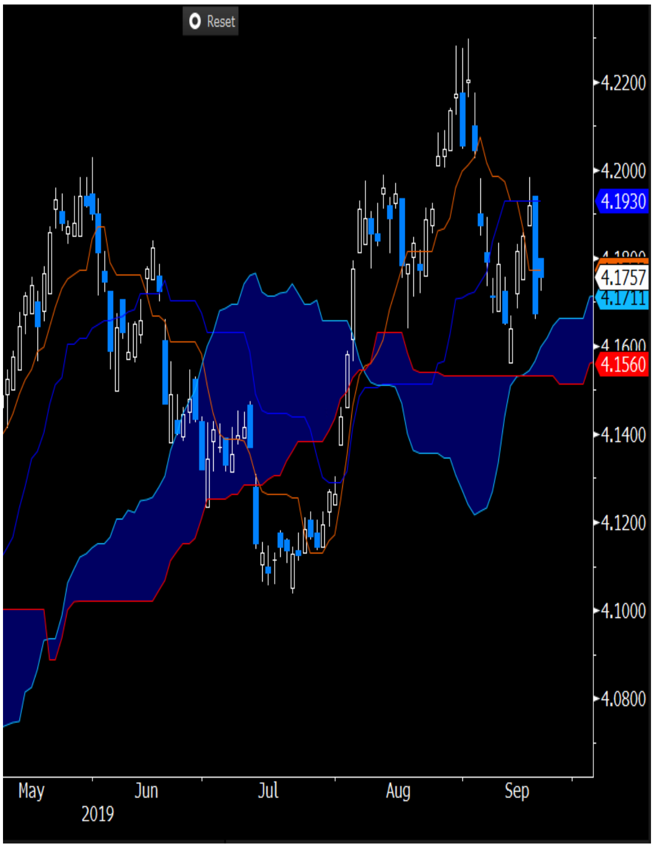
Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

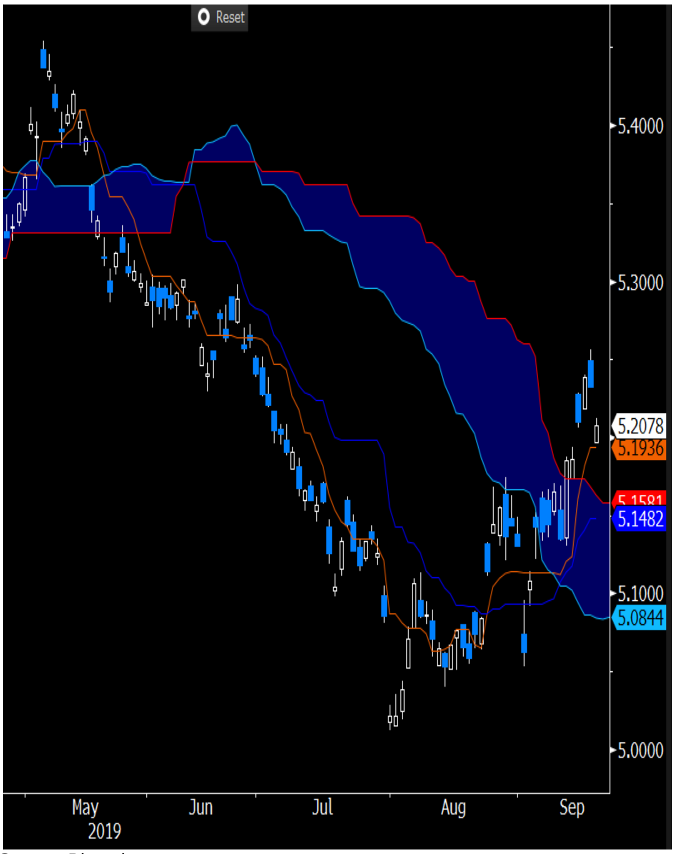
Indicative USDMYR 4.1757



Source: Bloomberg

- USDMYR opened 0.30% higher at 4.1800. **Daily outlook bearish.**
- **Weekly and monthly outlook neutral.**
- **MYR is expected to trade on a stronger note today alongside a firmer yuan** as investors assess latest news on US-China trade negotiations. FTSE Russell's decision to retain Malaysian bonds in its World Government Bond Index is a key event risk this week for MYR. MYR is expected to be supported should the decision is to retain. In the medium term, we turn neutral on the currency pair as outlook now depends largely on the USD movement relative to EUR as the ECB restarted bond buying program in November as well as any development in US-China trade negotiation.
- **Key resistances:** 4.1800 (S1), 4.1850 (S2), 4.1900 (S3)
- **Key supports:** 4.1700 (R1), 4.1650 (R2), 4.1600 (R3)
- **Expected range for the day:** 4.1650- 4.1800

Indicative GBPMYR 5.2078

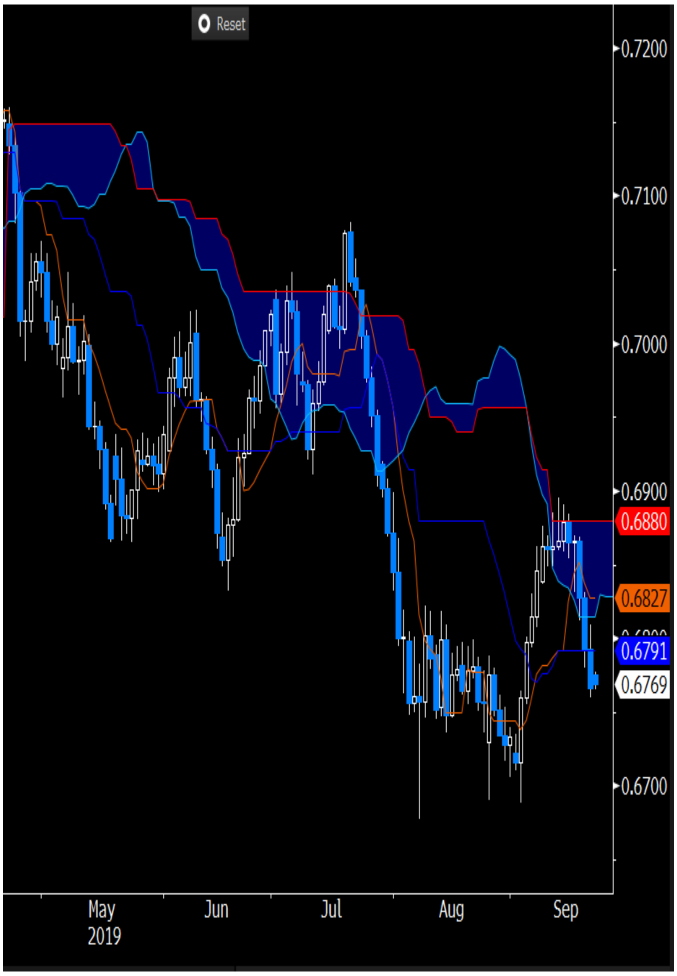


Source: Bloomberg

- GBPMYR opened 0.68% lower at 5.1969 today. **Daily outlook neutral.**
- **Weekly and monthly outlook bearish**.
- **We are neutral on GBP as GBP is expected to be volatile today and this week,** sensitive to Brexit headlines as Boris Johnson strives to push for a deal with key European leaders starting Monday. The PM is also meeting US President Donald Trump on Tuesday over talk of a free-trade deal. **The medium-term outlook for GBP remains bearish,** and is entirely determined by any development or outcome of Brexit.
- **Key resistances**: 5.2350 (R1), 5.2570 (R2), 5.2700 (R3)
- **Key supports**: 5.1900 (S1), 5.1700 (S2), 5.1480 (S3)
- **Expected range for the day:** 5.1750- 5.2350

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

Indicative AUDUSD 0.6769



Source: Bloomberg

- AUDUSD opened 0.13% higher at 0.6775 today. **Daily outlook bearish.**
- **Weekly and monthly outlook bearish.**
- **We are still bearish on AUD today** as AUD struggles to rebound despite better US-China trade optimism, pointing to higher downside bias. **In the medium term, we remain bearish on AUD** as poor economic data open door for further RBA easing while prolonged trade tension and weakening Chinese economy continued to post downside risk to the commodity currency.
- **Key resistances:** 0.6800 (R1), 0.6830 (R2), 0.6870 (R3)
- **Key supports:** 0.6750 S1), 0.6730 (S2), 0.6700 (S3)
- **Expected range for the day:** 0.6700- 0.6800

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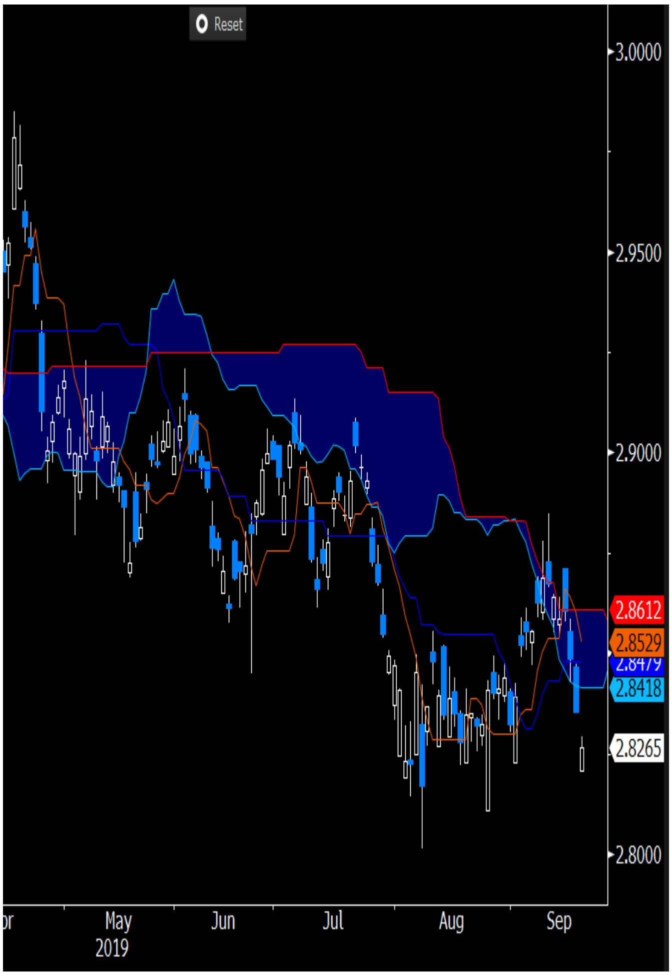
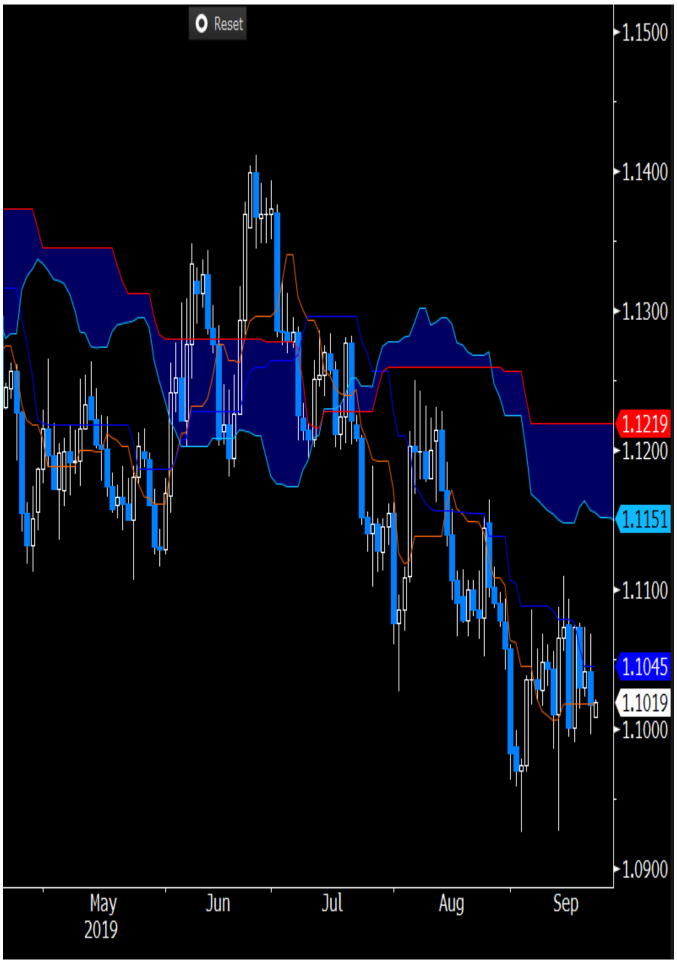
Indicative AUDMYR 2.8265



Source: Bloomberg

- AUDMYR opened 0.51% lower at 2.8208 today. **Daily outlook bearish** in anticipation of a firmer MYR and softer AUD.
- **Weekly and monthly outlook bearish.**
- **We are bearish on AUDMYR today on extended AUD weakness.** Similarly for the medium term outlook, poor economic data open door for further RBA easing while prolonged trade tension and weakening Chinese economy continued to pose downside risk to the commodity currency.
- **Key resistances:** 2.8360 (R1), 2.8400 (R2), 2.8520 (R3)
- **Key supports:** 2.8150 (S1), 2.8100 (S2), 2.8010 (S3)
- **Expected range for the day:** 2.8100 – 2.8360

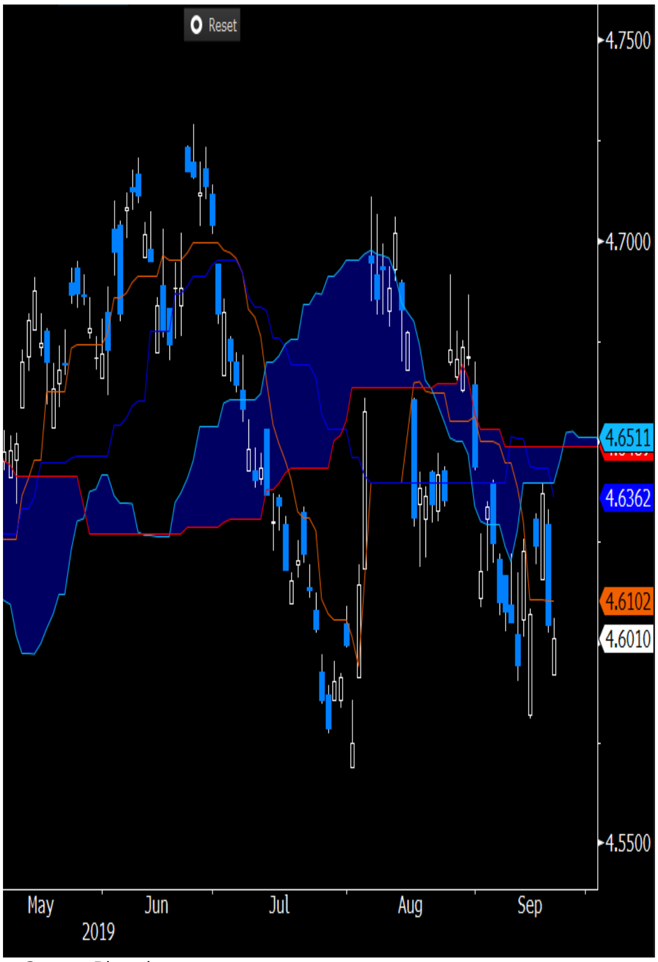
Indicative EURUSD 1.1019



Source: Bloomberg

- EURUSD opened slightly lower at 1.1008 today. **Daily outlook bearish.**
- **Weekly and monthly outlook bearish.**
- **EUR is likely to stay under pressure** as we are expecting further weakness in the single currency following Friday's close below 1.1020. **In the medium term, we remain bearish on EUR** which is expected to weaken further once the ECB restarts its APP program in November alongside generally poor economic data**.**
- **Key resistances:** 1.1050 (R1), 1.1100 (R2), 1.1120 (R3)
- **Key supports:** 1.1000 (S1), 1.0980 (S2), 1.0950 (S3)
- **Expected range for the day:** 1.0980- 1.1050

Indicative EURMYR 4.6010



Source: Bloomberg

- EURMYR opened 0.26% lower at 4.5920 today. **Daily outlook bearish.**
- **Weekly and monthly outlook bearish.**
- **We are bearish on the currency pair today on weaker EUR component and we remain bearish on the pair over the medium term** as EUR is expected to weaken across the board once the ECB restarts its APP program in November.
- **Key resistances:** 4.6100 (R1) 4.6200 (R1), 4.6300 (R3)
- **Key supports:** 4.5920 (S1), 4.5800 (S2), 4.5700 (S3)
- **Expected range for the day:** 4.5850– 4.6100

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