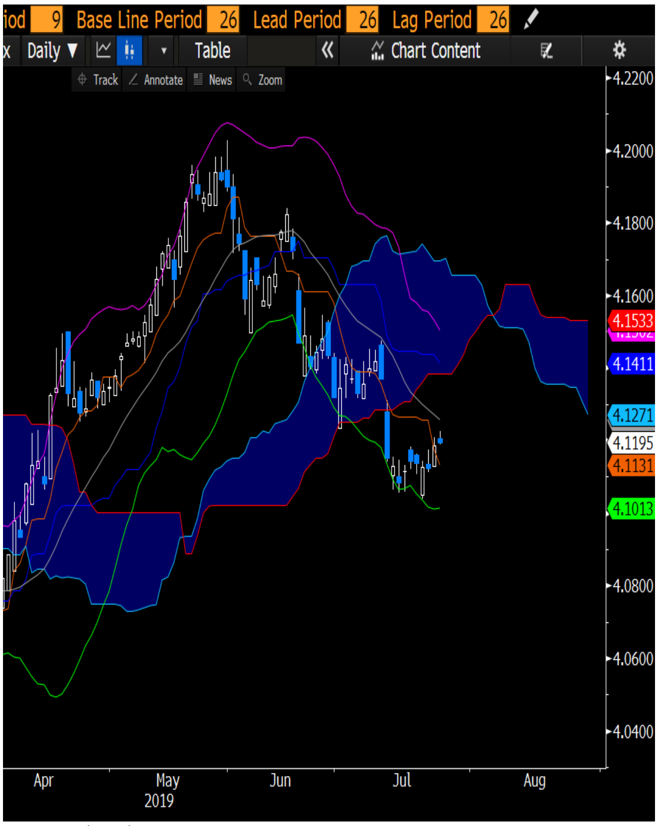
July 24, 2019

Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

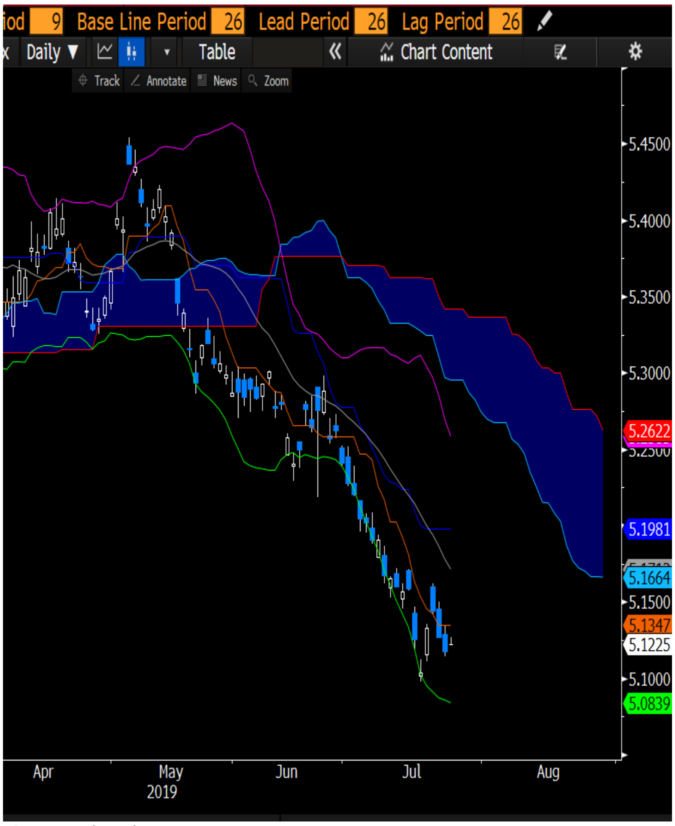
Indicative USDMYR 4.1220



Source: Bloomberg

- USDMYR opened marginally higher at 4.1205. **Daily outlook mildly bullish.**
- **Weekly outlook and monthly outlook bearish**.
- **We are mildly bullish on USDMYR today** as broad USD strength continues to dominate trading ahead of ECB meeting**.** In the medium term, we remain bearish on USDMYR in anticipation of the upcoming rate cut by the Fed as we head towards FOMC meeting next week.
- **Key resistances:** 4.1250 (R1), 4.1275 (R2), 4.1300 (R3)
- **Key supports:** 4.1200 (S1), 4.1175 (S2), 4.1150 (S3)
- **Expected range for the day:** 4.1170- 4.1270

Indicative GBPMYR 5.1265

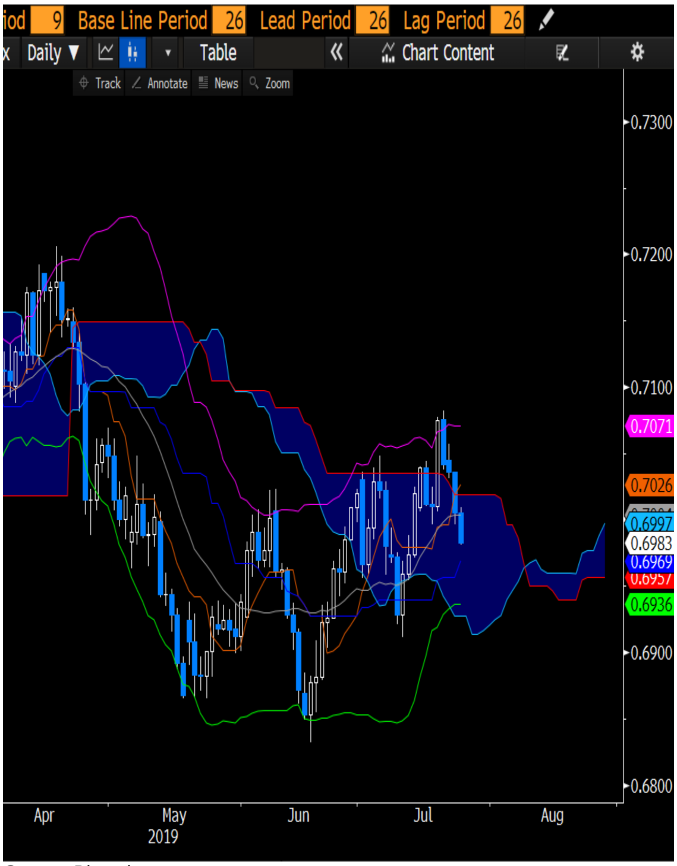


Source: Bloomberg

- GBPMYR opened 0.09% higher at 5.1224 today. **Daily outlook mildly bearish.**
- **Weekly outlook neutral and monthly outlook bearish**.
- **We are mildly bearish on GBP today as** USD strength continues to dominate short term trading in which the MYR component would fare better**. In the medium term**, we look towards Boris Johnson's ability to hammer out a deal as the new UK prime minister within the next 100 days before the Oct 31 deadline.
- **Key resistances**: 5.1350 (R1), 5.1450 (R2), 5.1600 (R3)
- **Key supports**: 5.1150 (S1), 5.1050 (S2), 5.0950 (S3)
- **Expected range for the day:** 5.1100 – 5.1350

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

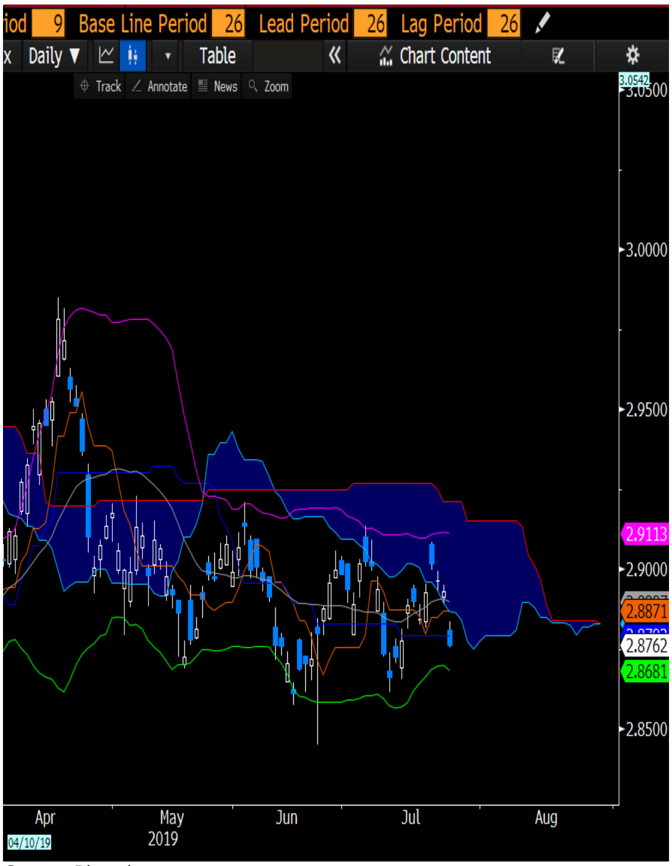
Indicative AUDUSD 0.6988



Source: Bloomberg

- AUDUSD opened unchanged at 0.7005 today. **Daily outlook bearish.**
- **Weekly outlook and monthly outlook slightly bullish.**
- **We continue to remain bearish on AUDUSD today on continuing USD strength.** In the medium term, we remain bullish on AUD on impending Fed rate cut alongside any potential US-China trade resolutions would also favour the Aussie dollar.
- **Key resistances:** 0.7000 (R1), 0.7025 (R2), 0.7050 (R3)
- **Key supports:** 0.6970 (S1), 0.6950 (S2), 0.6925 (S3)
- **Expected range for the day:** 0.6950-0.7000

Indicative AUDMYR 2.8800



Source: Bloomberg

- AUDMYR opened 0.41% lower at 2.8811 today. **Daily outlook bearish.**
- **Weekly outlook neutral and monthly outlook slightly bullish.**
- **We remain bearish on the pair** today as AUD component continue to succumb to broad USD strength more than MYR. In the medium term, we maintain the view that the pair would take cues from AUD due to its sensitivity to US-China trade talk developments.
- **Key resistances:** 2.8900 (R1), 2.9000 (R2), 2.9100 (R3)
- **Key supports:** 2.8750 (S1), 2.8600 (S2), 2.8500 (S3)
- **Expected range for the day:** 2.8700- 2.8900

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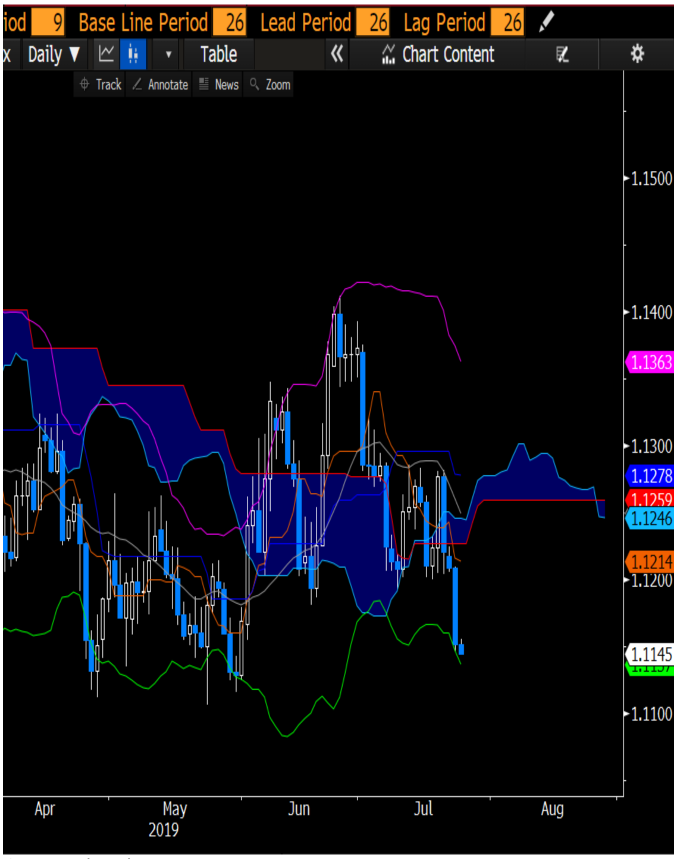
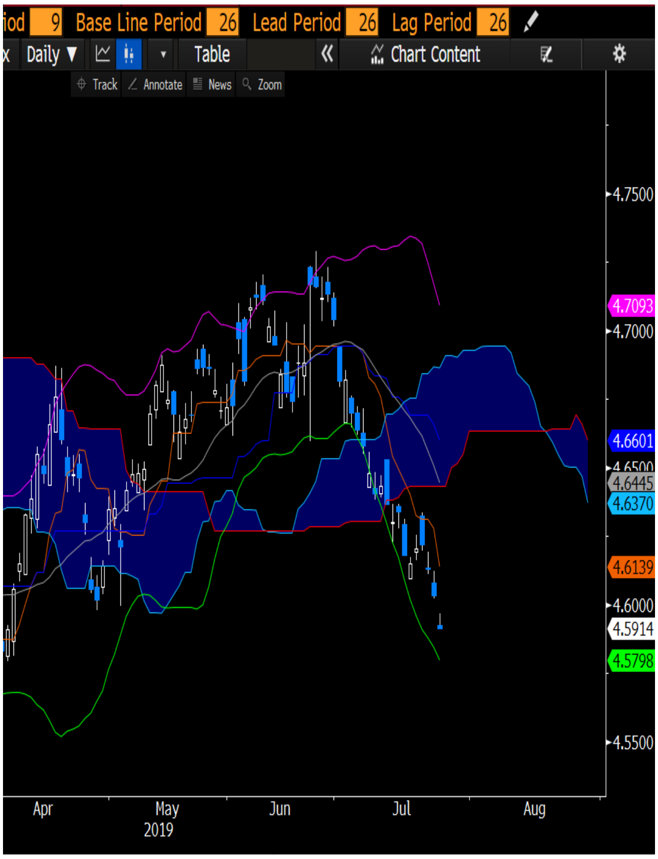
Indicative EURUSD 1.1148



Source: Bloomberg

- EURUSD opened unchanged at 1.1152 today. **Daily outlook bearish.**
- **Weekly outlook bearish and monthly outlook neutral.**
- **We remain bearish on EUR today as the USD continues to extend gains**. EUR continues to weaken on speculation that the ECB may be open to change its forward guidance in the upcoming ECB meeting to lean more towards a 10bps deposit rate cut. In the medium term, would pay more attention to global central bank policy for further directional cues.
- **Key resistances:** 1.1175 (R1), 1.1200 (R2), 1.1230 (R3)
- **Key supports:** 1.1120 (S1), 1.1100 (S2), 1.1080 (S3)
- **Expected range for the day:** 1.1110 – 1.1175

Indicative EURMYR 4.5945



Source: Bloomberg

- EURMYR opened 0.23% lower at 4.5926 today. **Daily outlook bearish.**
- **Weekly and monthly outlook bearish**.
- **We are bearish on the pair** today mainly on weaker EUR component. In the medium term, we are bearish on the pair as the ECB is likely to revise its forward guidance and turn more dovish. We also look towards US-China trade talks for more directional cues.
- **Key resistances:** 4.6000 (R1) 4.6150 (R1), 4.6250 (R3)
- **Key supports:** 4.5850 (S1), 4.5700 (S2), 4.5600 (S3)
- **Expected range for the day:** 4.5700 – 4.6000

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