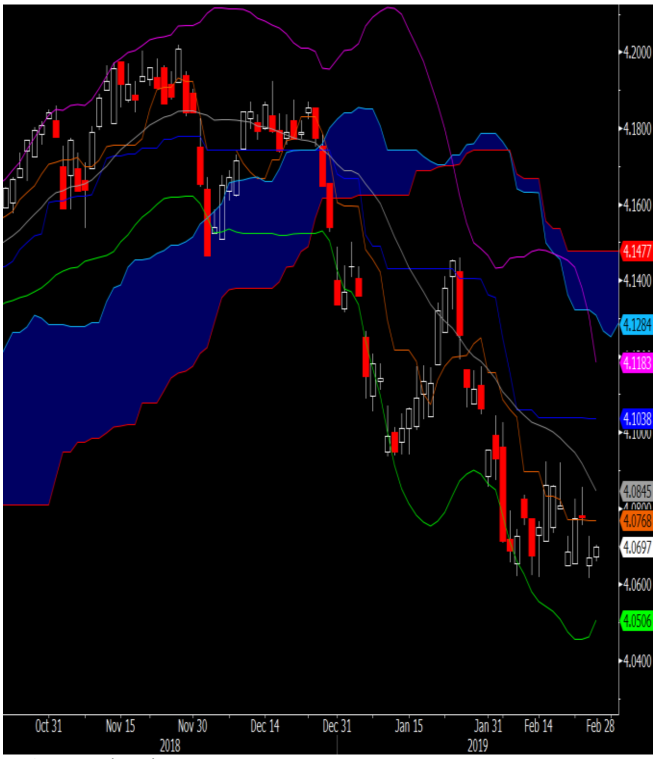
Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

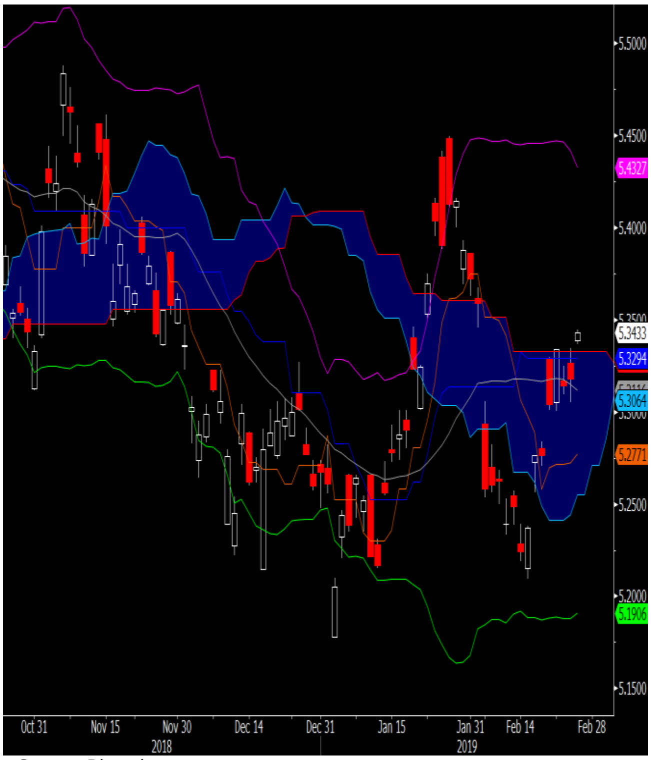
Indicative USDMYR 4.0697



Source: Bloomberg

- USDMYR opened mostly unchanged today. **Daily outlook slightly bullish** on technical reasons.
- **Weekly outlook bullish, monthly outlook bearish**.
- Technical outlook is positive on USDMYR; price-momentum divergence has emerged while a bullish reversal pattern lingers, both hinting that USDMYR could be heading higher going forward. We continue to caution that failure to push below 4.0500 is likely to encourage the bulls and spark a rally back to 4.0920 - 4.0965.
- **Key resistances:** 4.0715 (R1), 4.0735 (R2), 4.0750 (R3)
- **Key supports:** 4.0675 (S1), 4.0660 (S2), 4.0650 (S3)
- **Expected range for the day:** 4.0680 – 4.0740

Indicative GBPMYR 5.3433

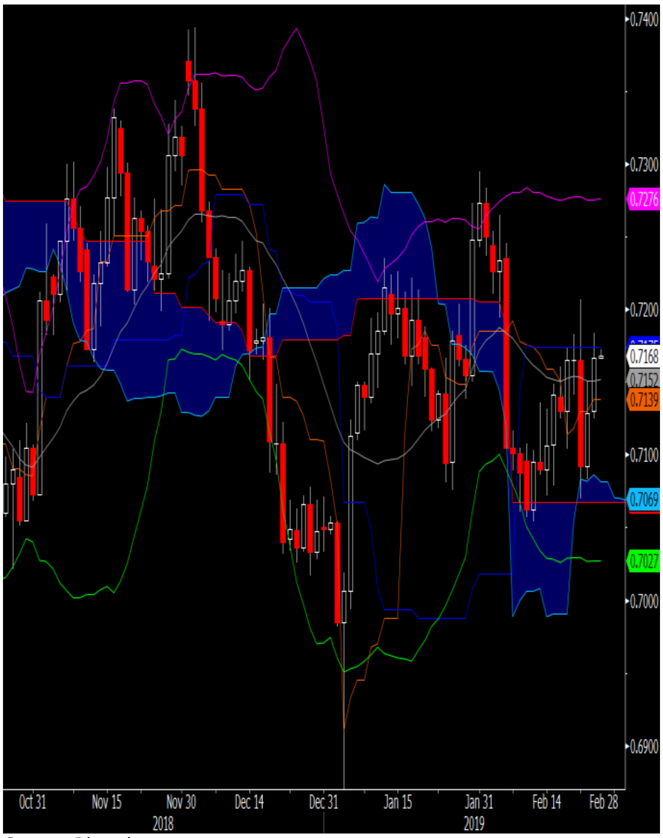


Source: Bloomberg

- GBPMYR opened 209pips higher at 5.3387 today. **Daily outlook bullish**, lifted by the sharply higher opening and in anticipation of firmer GBP.
- **Weekly outlook bullish, monthly outlook bearish**.
- We maintain that GBPMYR's technical outlook continues to improve, more so after climbing above 5.3328 in early trade. There is now room to climb to circa 5.3710 – 5.3825, if current upside bias still sustains.
- **Key resistances**: 5.3458 (R1), 5.3500 (R2), 5.3520 (R3)
- **Key supports**: 5.3404 (S1), 5.3369 (S2), 5.3344 (S3)
- **Expected range for the day:** 5.3350 – 5.3460

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

Indicative AUDUSD 0.7168

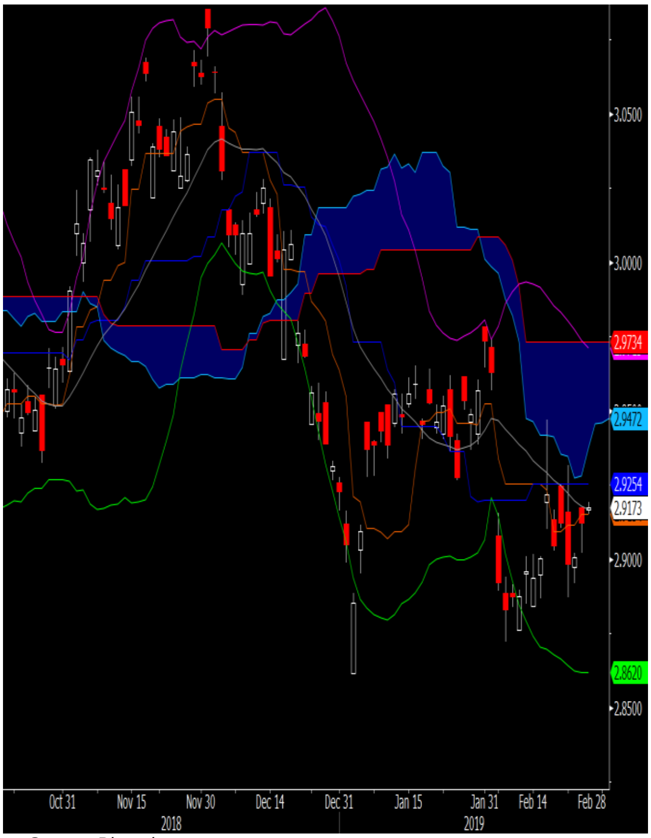


Source: Bloomberg

- AUDUSD opened unchanged at 0.7167 today. **Daily outlook bullish**, supported by improving risk appetite in the markets.
- **Weekly outlook bullish, monthly outlook bearish**.
- AUDUSD beat 0.7165 yesterday, improving its technical outlook. It is now likely taking aim at 0.7229 in the next leg higher, but we caution that this level continues to be a strong barrier to further heights.
- **Key resistances:** 0.7175 (R1), 0.7200 (R2), 0.7214 (R3)
- **Key supports:** 0.7151 (S1), 0.7139 (S2), 0.7122 (S3)
- **Expected range for the day:** 0.7150 – 0.7200

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

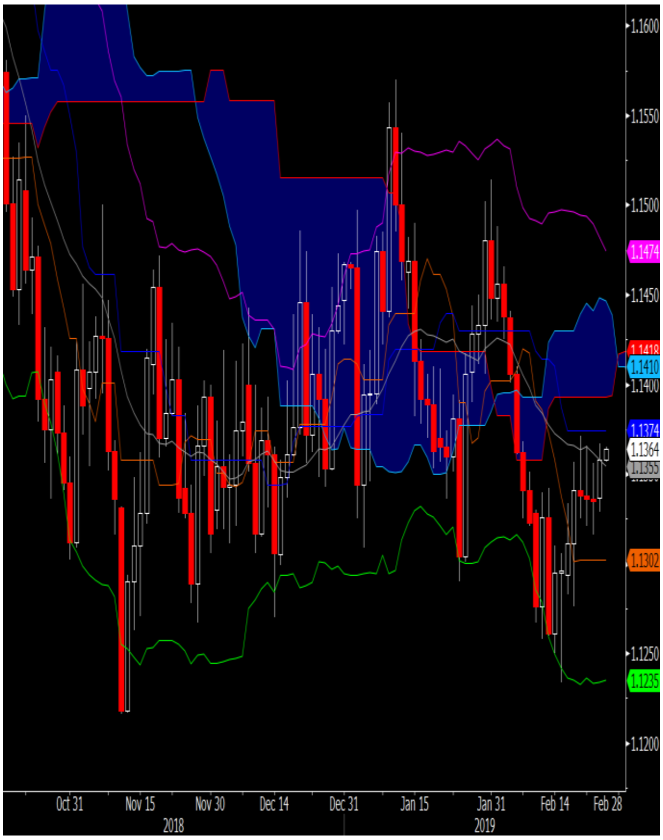
Indicative AUDMYR 2.9173



Source: Bloomberg

- AUDMYR opened 42pips higher at 2.9166 today. **Daily outlook slightly bullish** in anticipation of firmer AUD amid lingering risk-on sentiment in the markets.
- **Weekly outlook bullish, monthly outlook bearish**.
- Technical landscape has been altered by AUDMYR close above 2.9046 yesterday. It is now tilted to the upside, with room to test 2.9369 in the next leg higher, but still vulnerable to downsides until 2.9369 is broken.
- **Key resistances:** 2.9192 (R1), 2.9219 (R2), 2.9254 (R3)
- **Key supports:** 2.9154 (S1), 2.9115 (S2), 2.9100 (S3)
- **Expected range for the day:** 2.9140 – 2.9220

Indicative EURUSD 1.1364

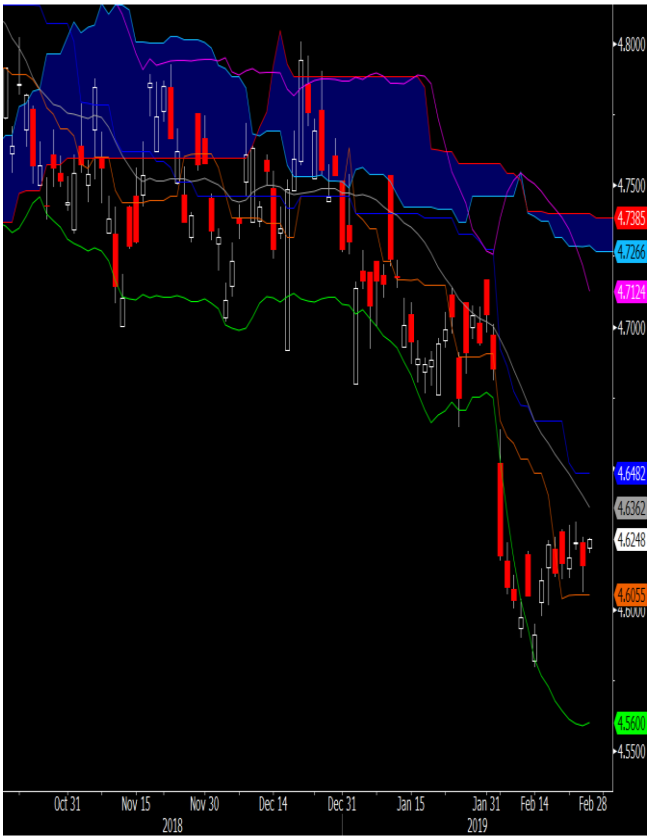


Source: Bloomberg

- EURUSD opened unchanged at 1.1358 today. **Daily outlook bullish** in anticipation of a soft USD and amid improvement in market sentiment regarding trade.
- **Weekly outlook bullish, monthly outlook bearish**.
- EURUSD remains in a bullish trend and we expect it to soon break above 1.1367 and head for 1.1413 in the next leg higher. Caution that this view will be lost if EURUSD closes below 1.1338 today.
- **Continue to expect a potential climb to 1.1400**.
- **Key resistances:** 1.1367 (R1), 1.1374 (R2), 1.1386 (R3)
- **Key supports:** 1.1355 (S1), 1.1336 (S2), 1.1320 (S3)
- **Expected range for the day:** 1.1350 – 1.1390

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

Indicative EURMYR 4.6248



Source: Bloomberg

- EURMYR opened 63pips higher at 4.6220 today. **Daily outlook bullish** in anticipation of a firmer EUR.
- **Weekly outlook bullish, monthly outlook bearish**.
- Upward momentum continues to improve for EURMYR, thus we maintain an upside view, with room to push closer to 4.6300, above which there is room for an attempt at circa 4.6359 – 4.6400.
- **Continue to expect a potential climb to 4.6350**, otherwise curbed by a close below 4.6180.
- **Key resistances:** 4.6258 (R1), 4.6282 (R2), 4.6311 (R3)
- **Key supports:** 4.6210 (S1), 4.6173 (S2), 4.6147 (S3)
- **Expected range for the day:** 4.6200 – 4.6320

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