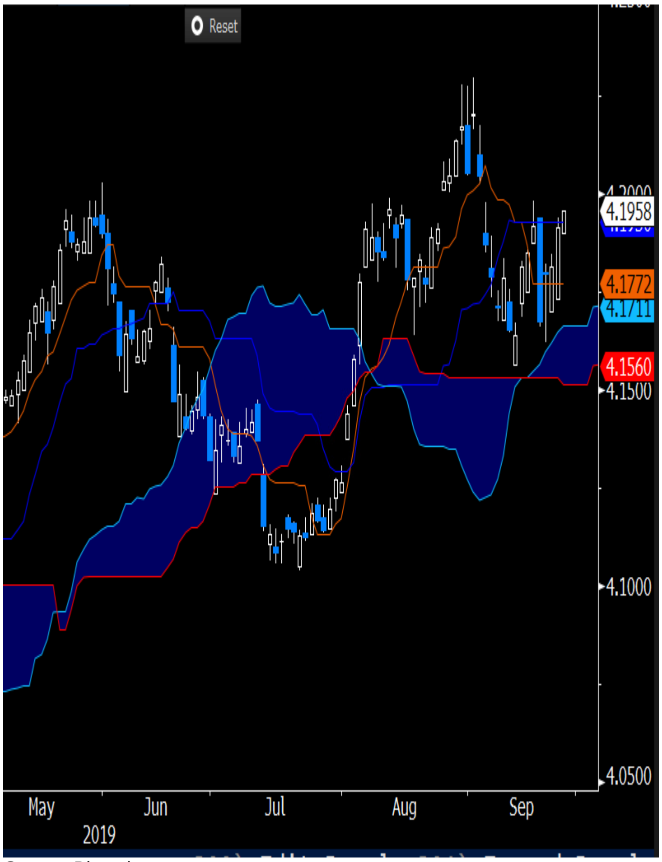
September 26, 2019

Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

Indicative USDMYR 4.1958

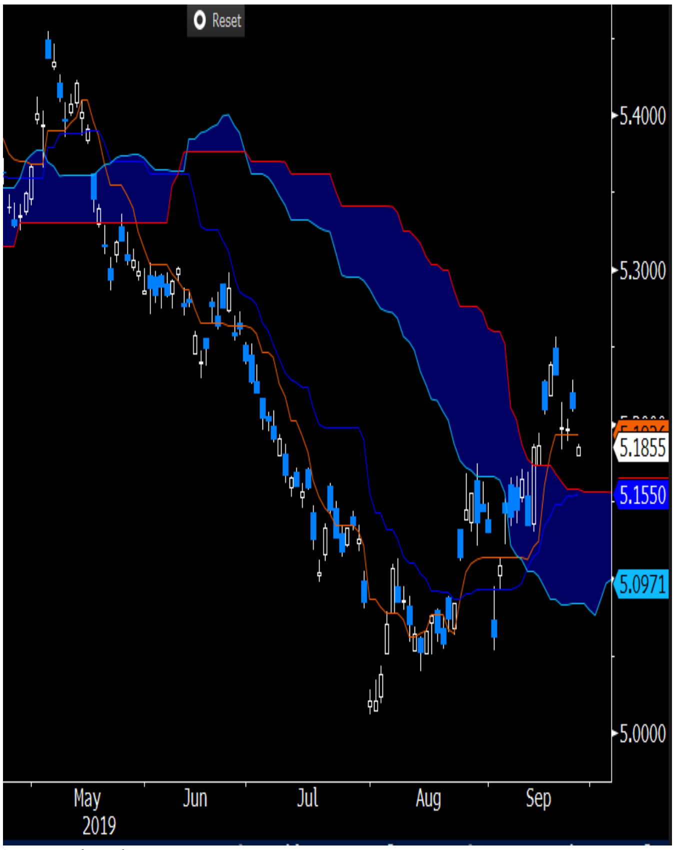


Source: Bloomberg

- USDMYR opened marginally lower at 4.1900. **Daily outlook neutral.**
- **Weekly and monthly outlook neutral.**
- **We are still neutral on MYR today** as we expect markets to stay sidelined ahead of tonight's risk events as FTSE Russell's announces decision whether to retain Malaysian bonds in its World Government Bond Index (WGBI). A decision to retain would keep MYR well supported in the short term.
- **Key resistances:** 4.2000 (S1), 4.2050 (S2), 4.2100 (S3)
- **Key supports:** 4.1900 (R1), 4.1850 (R2), 4.1800 (R3)
- **Expected range for the day:** 4.1900- 4.2000

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

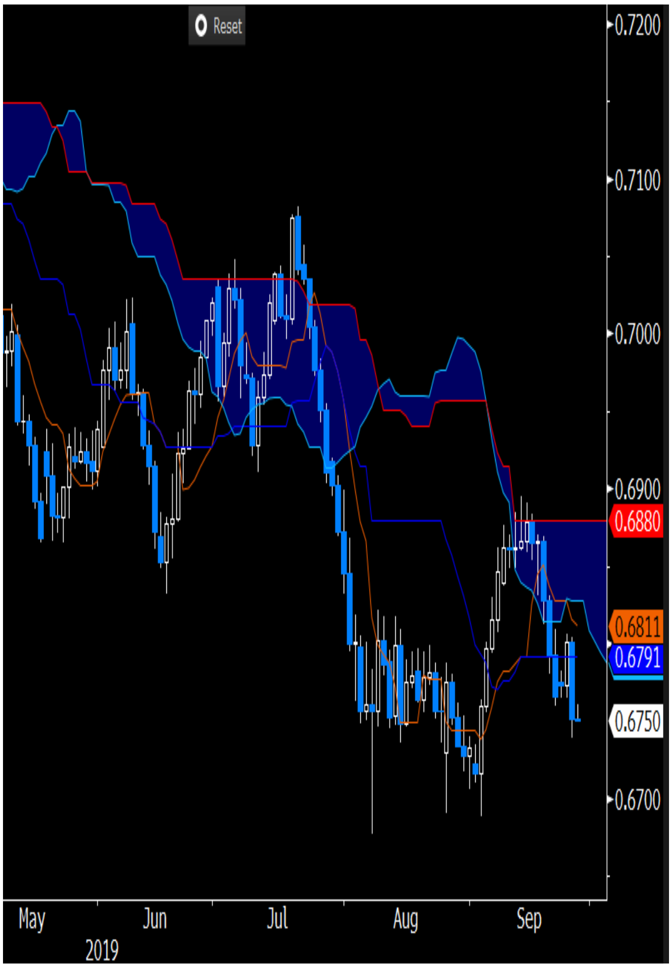
Indicative GBPMYR 5.1855



Source: Bloomberg

- GBPMYR opened 0.59% lower at 5.1803 today. **Daily outlook bearish.**
- **Weekly and monthly outlook bearish**.
- **We are bearish on the currency pair** today as markets seemed to be pricing in longer Brexit uncertainties as the Parliament is back into session. **In the short term, GBP is subject to volatility** due to its sensitivity to Brexit headlines. **The medium-term outlook remains bearish,** and again is entirely determined by Brexit development leading up to the October deadline.
- **Key resistances**: 5.1900 (R1), 5.1940 (R2), 5.2160 (R3)
- **Key supports**: 5.1700 (S1), 5.1665 (S2), 5.1600 (S3)
- **Expected range for the day:** 5.1700- 5.1900

Indicative AUDUSD 0.6750



Source: Bloomberg

- AUDUSD opened unchanged at 0.6751 today. **Daily outlook bullish.**
- **Weekly and monthly outlook bearish.**
- **We are bullish on AUD today as Trump again** signaled a possible trade deal with China alongside better risk sentiment. **In the medium term, we remain bearish on AUD** as we do not rule out further RBA easing while prolonged trade tension and weakening Chinese economy continued to post downside risk to AUD.
- **Key resistances:** 0.6770 (R1), 0.6800 (R2), 0.6830 (R3)
- **Key supports:** 0.6740 (S1), 0.6730 (S2), 0.6720 (S3)
- **Expected range for the day:** 0.6730- 0.6820

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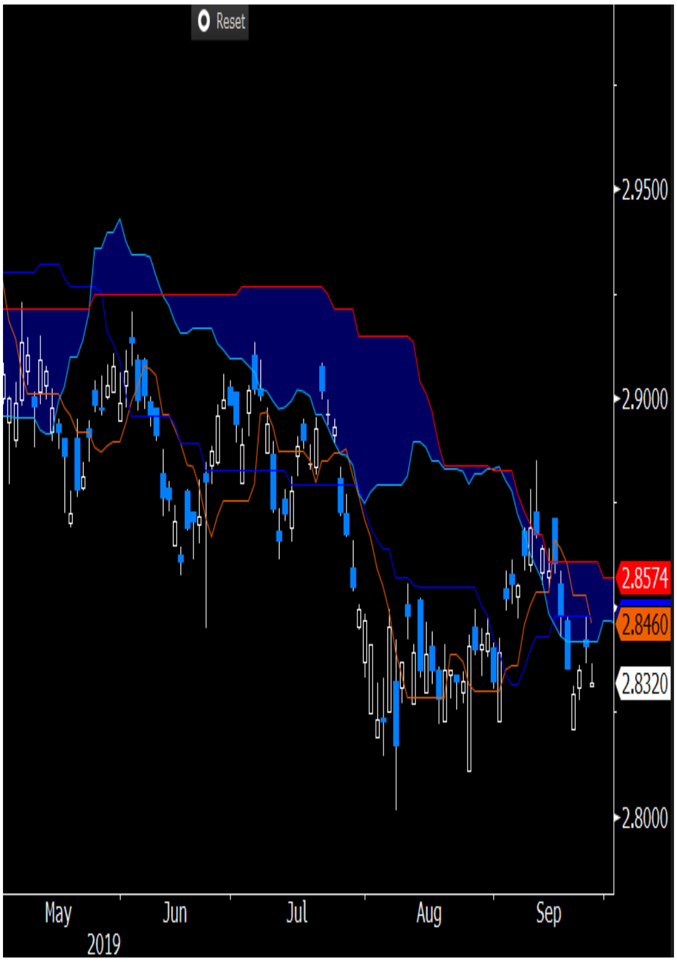
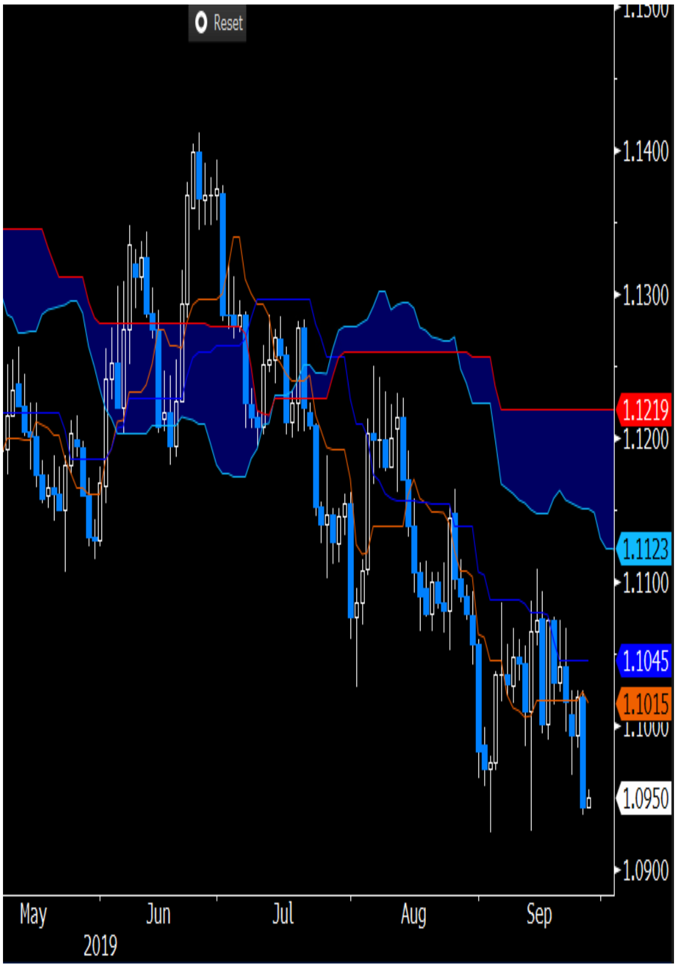
Indicative AUDMYR 2.8320



Source: Bloomberg

- AUDMYR opened 0.33% lower at 2.8312 today. **Daily outlook bullish.**
- **Weekly and monthly outlook bearish.**
- **We are bullish** on the currency pair today as improvement in trade sentiment supports AUD. **Similarly the medium term outlook on AUD remains bearish** as we do not rule out further RBA easing while prolonged trade tension and weakening Chinese economy continued to pose downside risk to AUD.
- **Key resistances:** 2.8370 (R1), 2.8400 (R2), 2.8480 (R3)
- **Key supports:** 2.8300 (S1), 2.8270 (S2), 2.8240 (S3)
- **Expected range for the day:** 2.8300 – 2.8470

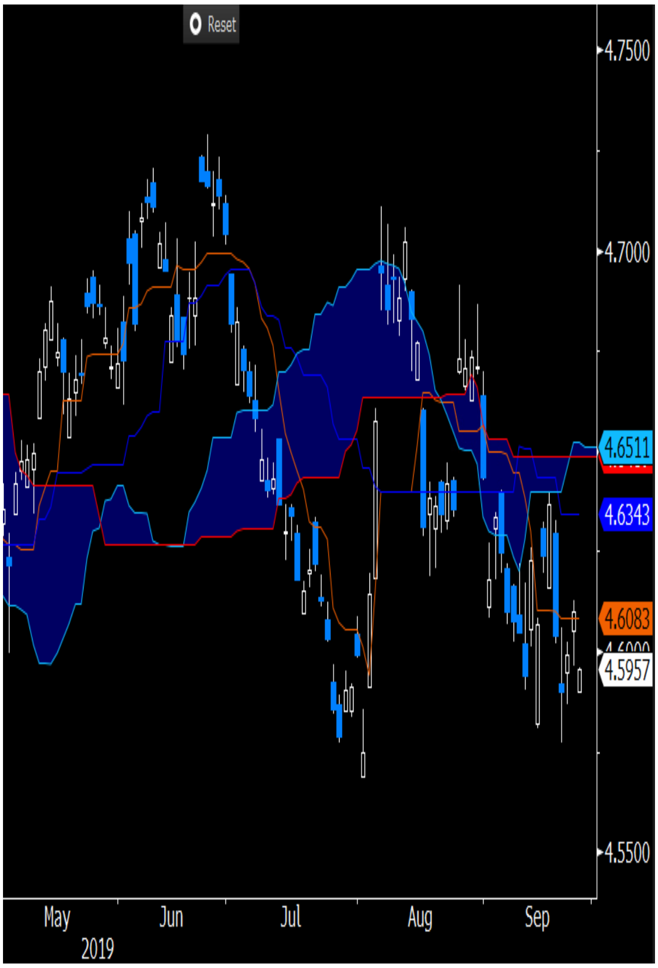
Indicative EURUSD 1.0950



Source: Bloomberg

- EURUSD opened unchanged at 1.0943 today. **Daily outlook neutral.**
- **Weekly and monthly outlook bearish.**
- **We are neutral on EUR** amidst a lack of catalyst and the dollar seems likely to be supported in the short term amidst higher USD yields but expected a slight technical rebound following last night's plunge. Plagued by ongoing worries over the Eurozone's dismal economic state, t**he EUR is expected to weaken in the medium term** as the ECB restarts its APP program in November alongside generally poor economic data.
- **Key resistances:** 1.0980 (R1), 1.1000 (R2), 1.1020 (R3)
- **Key supports:** 1.0940 (S1), 1.0930 (S2), 1.0910 (S3)
- **Expected range for the day:** 1.0930- 1.1010

Indicative EURMYR 4.5957



Source: Bloomberg

- EURMYR opened 0.43% lower at 4.5901 today. **Daily outlook bearish.**
- **Weekly and monthly outlook bearish.**
- **We are bearish on the currency pair today as overnight EUR weakness is extending today Asian session. 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:** 4.5900 (S1), 4.5800 (S2), 4.5700 (S3)
- **Expected range for the day:** 4.5800– 4.6100

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