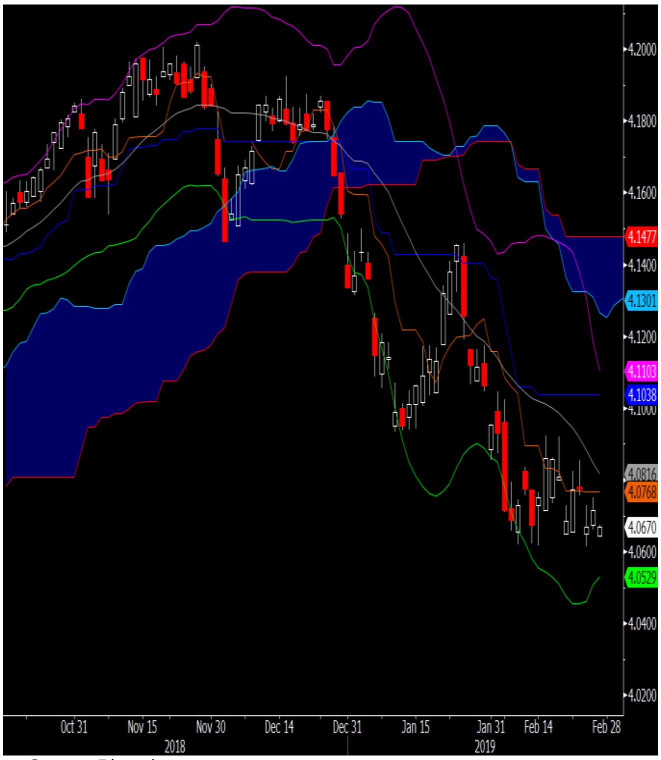
February 27, 2019

Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

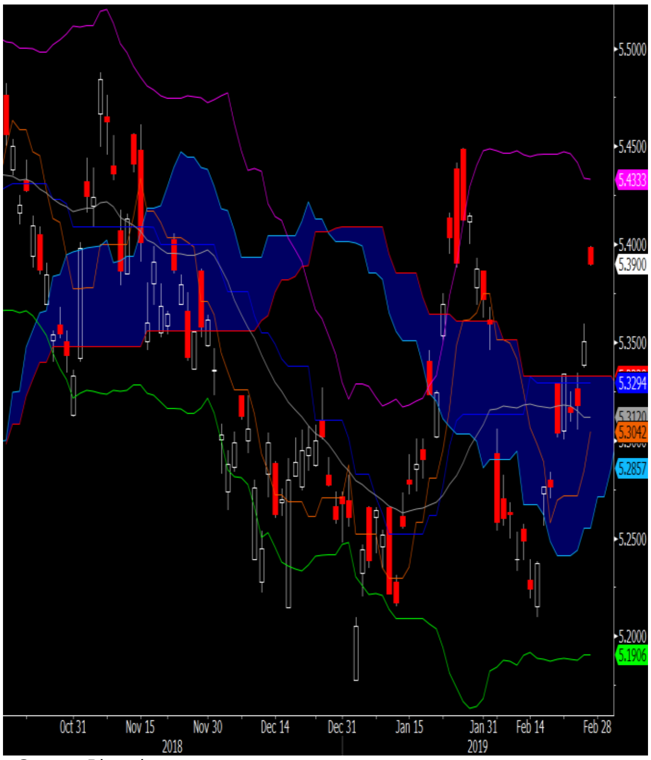
Indicative USDMYR 4.0670



Source: Bloomberg

- USDMYR opened lower today. **Daily outlook neutral**; despite a soft USD, receding risk appetite in the markets is likely to weigh down MYR.
- **Weekly outlook bullish, monthly outlook bearish**.
- Lingering price-momentum divergence and a bullish reversal pattern continue to hint at USDMYR 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:** 4.0680 (R1), 4.0700 (R2), 4.0720 (R3)
- **Key supports:** 4.0650 (S1), 4.0620 (S2), 4.0600 (S3)
- **Expected range for the day:** 4.0645 – 4.0710

Indicative GBPMYR 5.3900

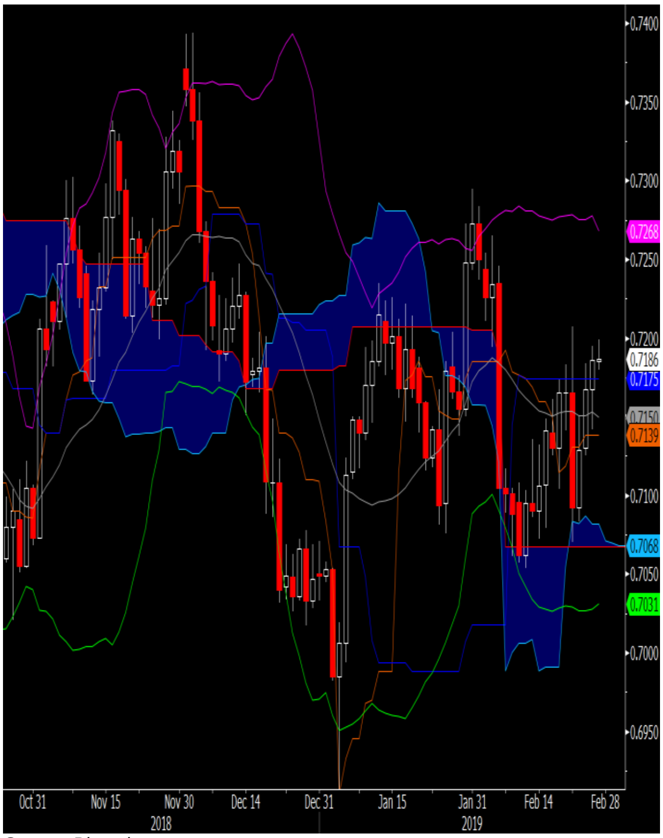


Source: Bloomberg

- GBPMYR opened 482pips higher at 5.3986 today. **Daily outlook bullish**, lifted by the sharply higher opening.
- **Weekly outlook bullish, monthly outlook bearish**.
- GBPMYR outlook remains positive, but we caution that after a few gap-ups, we are turning skeptical on its ability to push higher going forward. Risk of rejection is likely to increase approaching 5.4146 – 5.4162.
- **Key resistances**: 5.3951 (R1), 5.3985 (R2), 5.4000 (R3)
- **Key supports**: 5.3900 (S1), 5.3885 (S2), 5.3863 (S3)
- **Expected range for the day:** 5.3800 – 5.3990

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

Indicative AUDUSD 0.7186

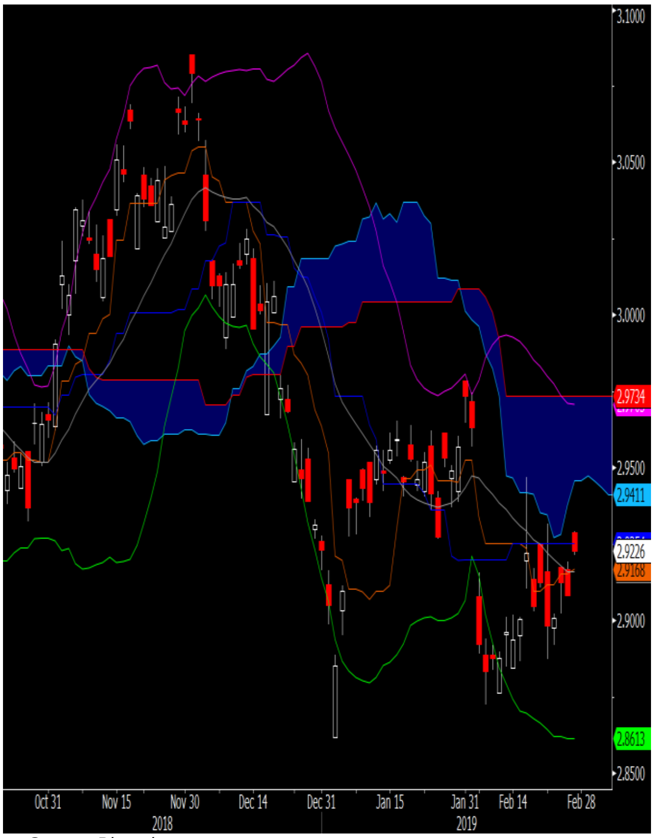


Source: Bloomberg

- AUDUSD opened unchanged at 0.7185 today. **Daily outlook slightly bearish**, anticipating downside pressure form easing risk appetite in the markets.
- **Weekly outlook bullish, monthly outlook bearish**.
- Technical outlook remains bullish but we reckon that AUDUSD may pull back for a couple of days before resuming its climb. Losses are likely to hold above 0.7129, otherwise technical landscape will tilt towards a bearish bias.
- **Key resistances:** 0.7200 (R1), 0.7209 (R2), 0.7229 (R3)
- **Key supports:** 0.7175 (S1), 0.7149 (S2), 0.7139 (S3)
- **Expected range for the day:** 0.7175 – 0.7210

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

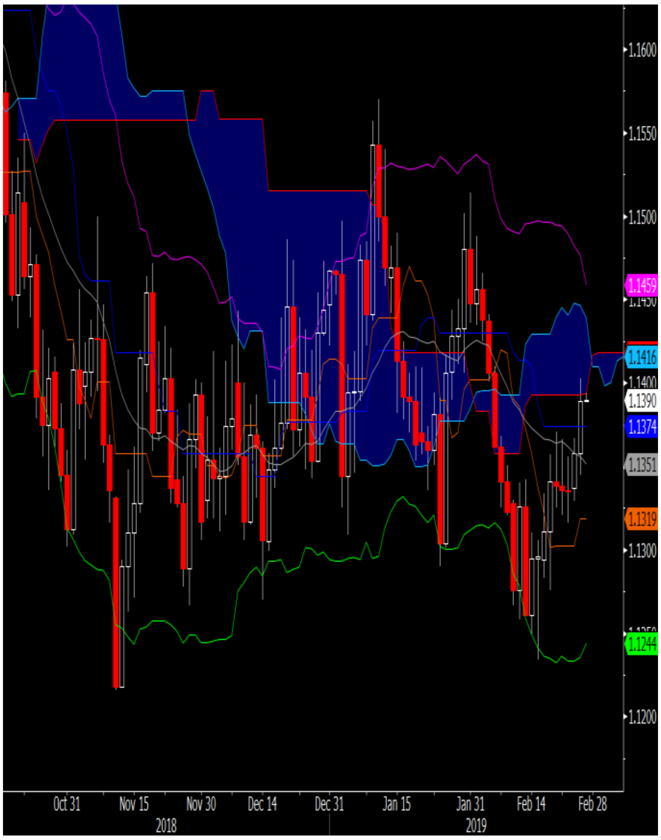
Indicative AUDMYR 2.9226



Source: Bloomberg

- AUDMYR opened 207pips higher at 2.9288 today. **Daily outlook slightly bullish**, lifted by the sharply higher opening but we caution that gains may be narrowed going into European session.
- **Weekly outlook bullish, monthly outlook bearish**.
- AUDMYR remains 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. Losing 2.9159 will shift AUDMYR towards the downside.
- **Key resistances:** 2.9254 (R1), 2.9293 (R2), 2.9316 (R3)
- **Key supports:** 2.9212 (S1), 2.9200 (S2), 2.9168 (S3)
- **Expected range for the day:** 2.9200 – 2.9295

Indicative EURUSD 1.1390

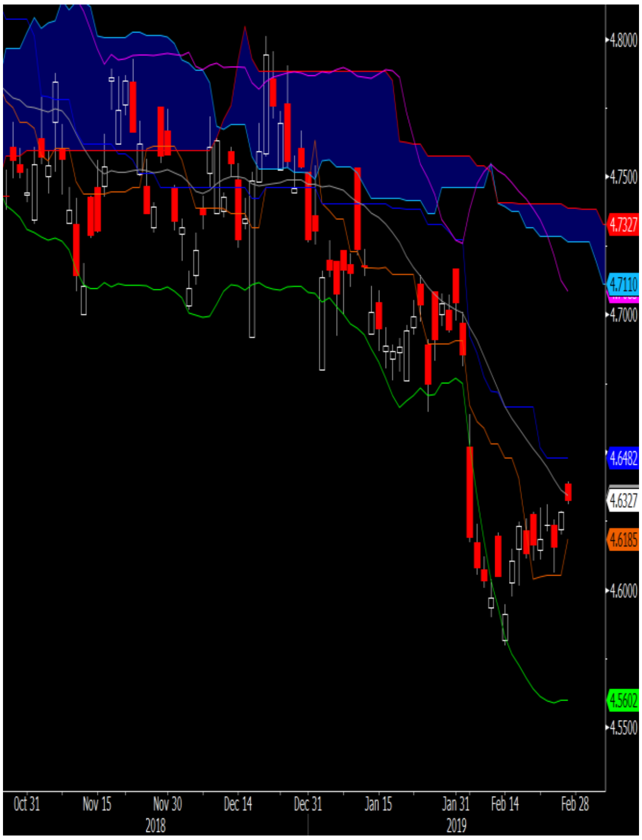


Source: Bloomberg

- EURUSD opened unchanged at 1.1389 today. **Daily outlook bullish** in anticipation of a soft USD.
- **Weekly outlook bullish, monthly outlook bearish**.
- EURUSD remains in a bullish trend. After breaking above 1.1367, it now sets sights on 1.1413, above which 1.1459 will be targeted. A mild pullback cannot be ruled out after recent rally, but expect losses to hold above 1.1351.
- **EURUSD expectedly climbed to 1.1400** yesterday.
- **Key resistances:** 1.1405 (R1), 1.1420 (R2), 1.1439 (R3)
- **Key supports:** 1.1374 (S1), 1.1367 (S2), 1.1357 (S3)
- **Expected range for the day:** 1.1375 – 1.1420

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

Indicative EURMYR 4.6327



Source: Bloomberg

- EURMYR opened 104pips higher at 4.6387 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. EURMYR is likely setting sights on a climb to, and possibly a break above, 4.6400, which if it does will expose a move towards 4.6633 in the longer term.
- **EURMYR expectedly climbed to 4.6350** in early trade.
- **Key resistances:** 4.6342 (R1), 4.6393 (R2), 4.6420 (R3)
- **Key supports:** 4.6300 (S1), 4.6285 (S2), 4.6258 (S3)
- **Expected range for the day:** 4.6300 – 4.6395

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