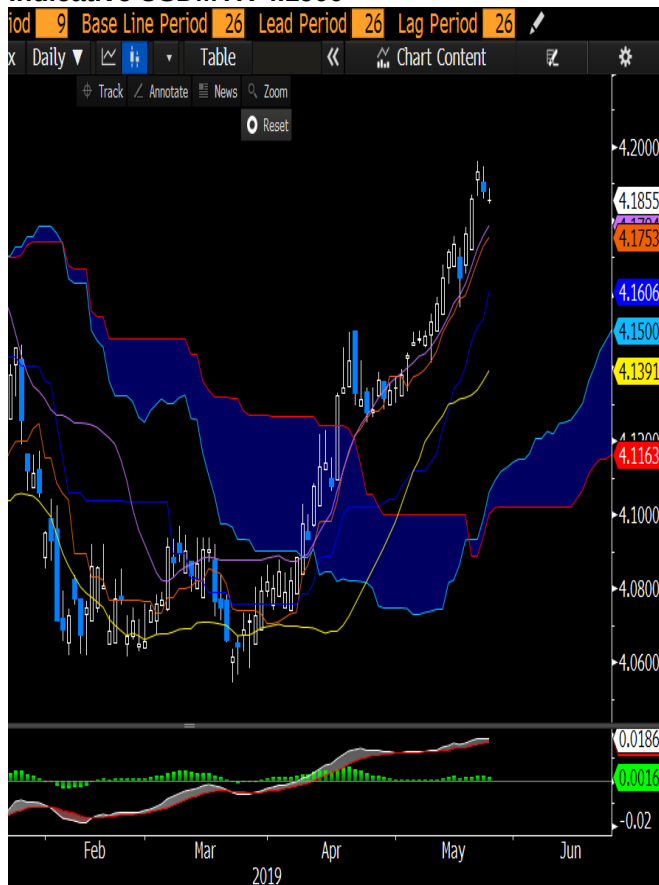


Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

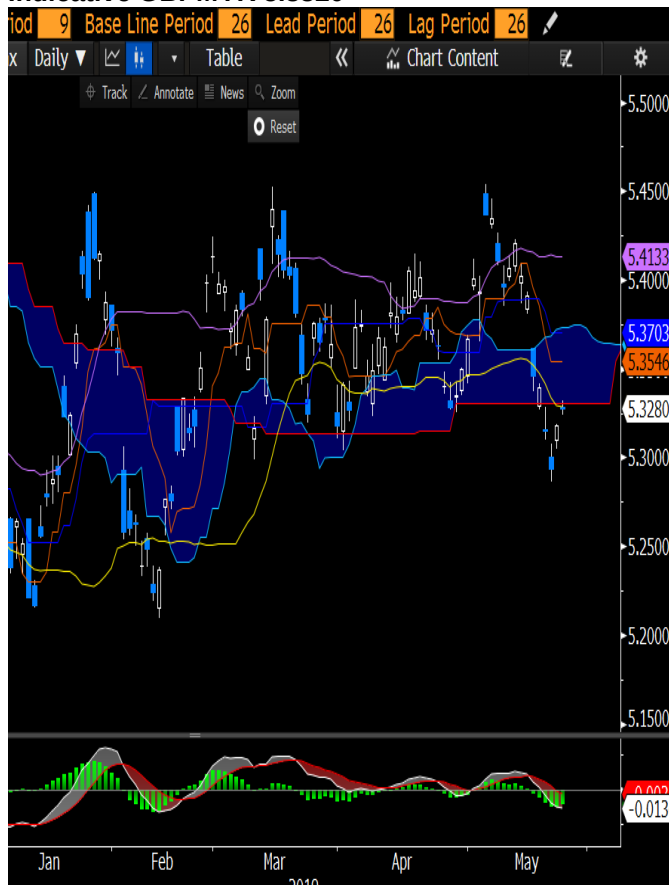
Indicative USDMYR 4.1900



Source: Bloomberg

- USDMYR opened 0.06% lower at 4.1855 in line with a broadly weaker USD overall. **Daily outlook bearish.**
- **Weekly and monthly outlook bullish.**
- **MYR remains bearish** as US-China trade spat continues to dominate headlines alongside a UK leadership crisis over Brexit. A weaker US durable goods print caused broad USD to trade weaker ahead of Memorial Day weekend to keep a lid on rising USD strength for now.
- **Key resistances:** 4.1950 (R1), 4.1975 (R2), 4.2000 (R3)
- **Key supports:** 4.1875 (S1), 4.1850 (S2), 4.1800 (S3)
- **Expected range for the day:** 4.1850 – 4.1975

Indicative GBPMYR 5.3320



Source: Bloomberg

- GBPMYR opened 0.19% higher at 5.3282 today. **Daily outlook bearish.**
- **Weekly outlook bearish and monthly outlook neutral.**
- We remain bearish GBP as the situation in the UK over Brexit is worsening with a leadership crisis now thrown into the mix. There was some USD buying reprieve in the form of a weaker US durable goods print, however, this may not last as hard-line Brexit Party takes the lead in the ongoing EU parliamentary elections.
- **Key resistances:** 5.3500 (R1), 5.3650 (R2), 5.3800 (R3)
- **Key supports:** 5.3200 (S1), 5.3130 (S2), 5.2800 (S3)
- **Expected range for the day:** 5.3130 – 5.3450

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

Indicative AUDUSD 0.6937



Source: Bloomberg

- AUDUSD opened 0.23% lower at 0.6911 today. **Daily outlook neutral.**
- Weekly and monthly outlook bearish.**
- We remain bearish on AUD** as investor focus now shifts towards the global economic health and the possibility of a RBA rate cut next month. A slew of lower PMI readings in the Eurozone, Japan and US gives worry that the ongoing trade war will drag on economic health globally. The AUD is likely to be affected as well given its close relationship to Chinese economic health. Resistance comes in at 0.6960 with 0.6840 as support for now.
- Key resistances:** 0.6960 (R1), 0.7000 (R2), 0.7030 (R3)
- Key supports:** 0.6900 (S1), 0.6875 (S2), 0.6850 (S3)
- Expected range for the day:** 0.6890 – 0.6960

Indicative AUDMYR 2.9060

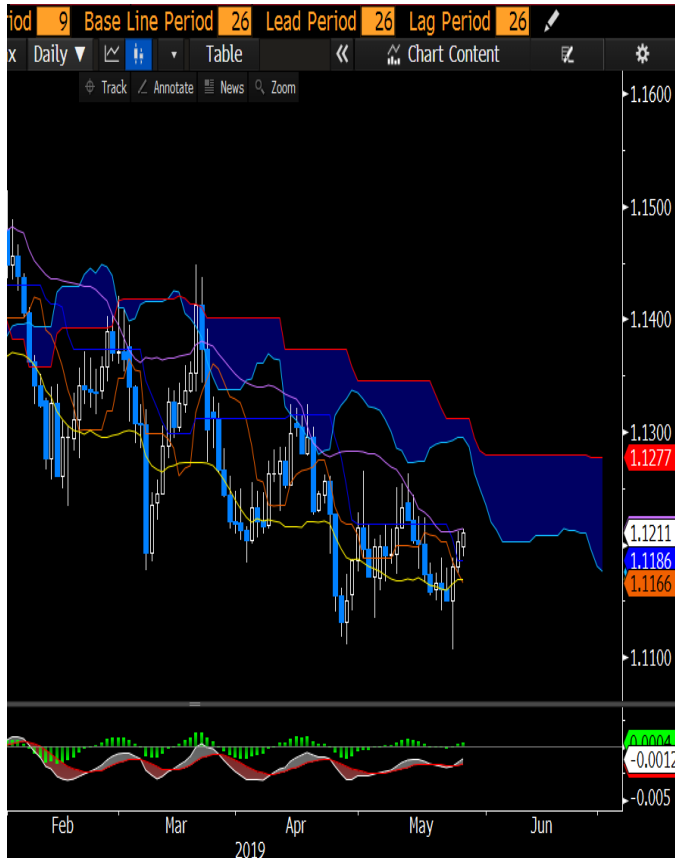


Source: Bloomberg

- AUDMYR opened 0.39% higher at 2.9021 today. **Daily outlook mildly bearish.**
- Weekly and monthly outlook bearish.**
- We remain bearish AUDMYR** fundamentally as ongoing trade tensions and a possible rate cut in June by the RBA will drag AUD component lower. A lower USD overnight helped push pair higher towards 2.9055 short term resistance but any move higher should likely be limited. 2.9130 and 2.9200 to act as resistances with support coming in at 2.8875.
- Key resistances:** 2.9130 (R1), 2.9200 (R2), 2.9400 (R3)
- Key supports:** 2.8875 (S1), 2.8750 (S2), 2.8500 (S3)
- Expected range for the day:** 2.8900 – 2.9150

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

Indicative EURUSD 1.1208

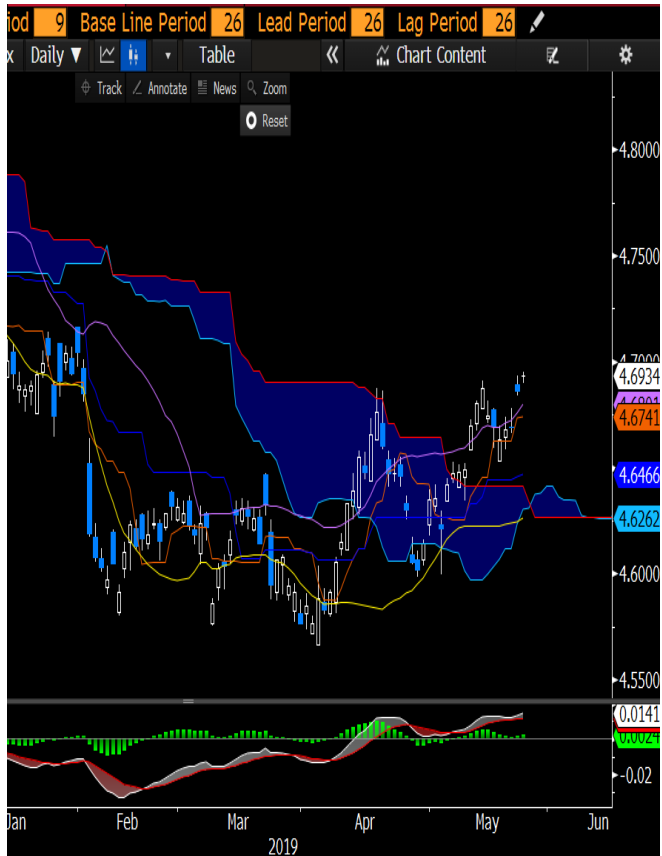


Source: Bloomberg

- EURUSD opened slightly lower at 1.1199 today. **Daily outlook bullish.**
- **Weekly outlook neutral and monthly outlook bearish.**
- **We turn neutral on EUR** as the pair has managed to break through multiple moving average resistances thanks to a weak USD on poor US durable goods print. Stronger resistances now lies at 1.1235 Bollinger top and Ichimoku cloud bottom. Supports now roughly at 1.1180 thereabouts where the moving averages are.
- **Key resistances:** 1.1235 (R1), 1.1250 (R2), 1.1280 (R3)
- **Key supports:** 1.1180 (S1), 1.1150 (S2), 1.1120 (S3)
- **Expected range for the day:** 1.1185 – 1.1240

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

Indicative EURMYR 4.6955



Source: Bloomberg

- EURMYR opened 0.15% higher at 4.6933 today. **Daily outlook neutral.**
- **Weekly outlook bullish, monthly outlook bearish.**
- Pair is looking neutral in the short term thanks to conflicting components, however, trend higher still remains intact. As mentioned previously, pair is now testing the Bollinger top of 4.6985 and 200 DMA of 4.7040 which would likely provide some resistance here. Support only coming back in at 4.6745 and 4.6560.
- **Key resistances:** 4.6985 (R1) 4.7040 (R1), 4.7200 (R3)
- **Key supports:** 4.6745 (S1), 4.6500 (S2), 4.6400 (S3)
- **Expected range for the day:** 4.6800– 4.7150

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damansara

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hlbb.hongleong.com.my**DISCLAIMER**

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter. HLBB may, to the extent permitted by law, buy, sell or hold significantly long or short positions; act as investment and/or commercial bankers; be represented on the board of the issuers; and/or engage in 'market making' of securities mentioned herein. The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favorable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.

