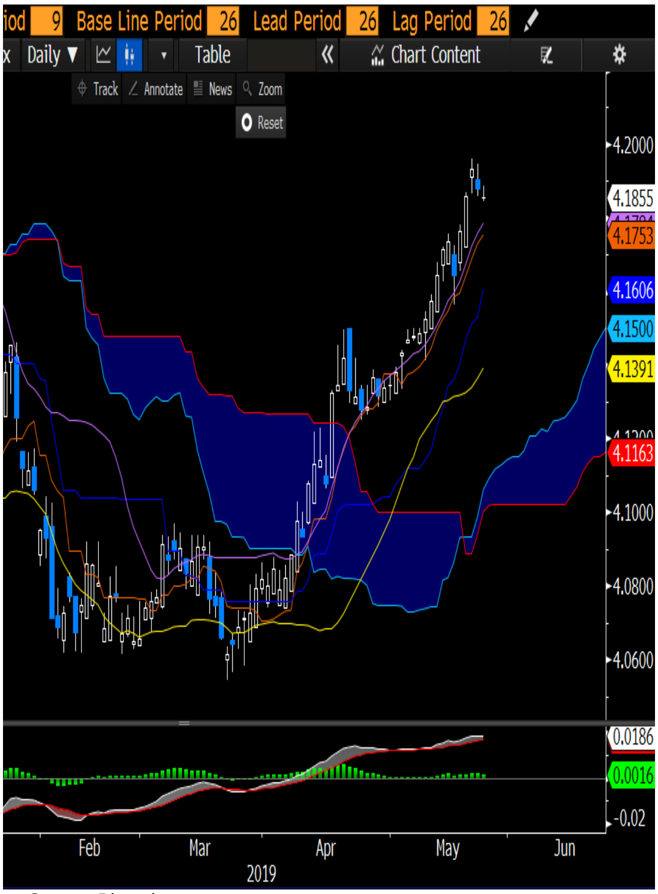
May 27, 2019

# 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

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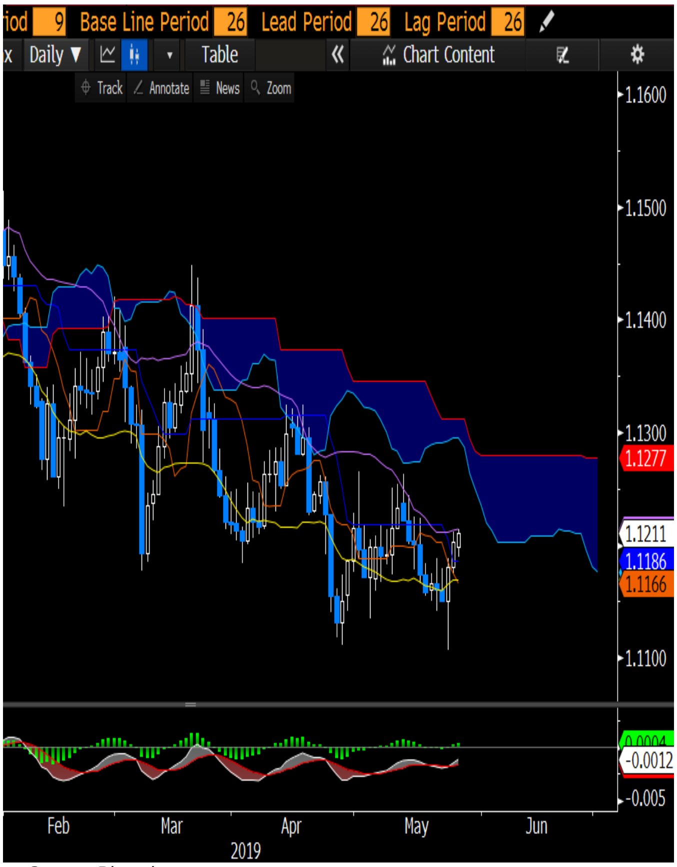
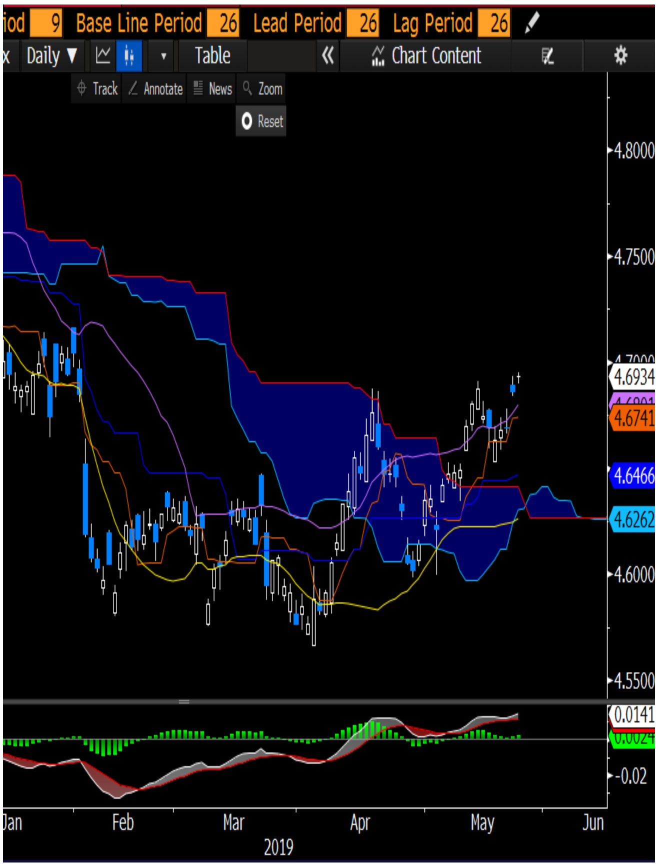
**Indicative EURUSD 1.1208**




*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

**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

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