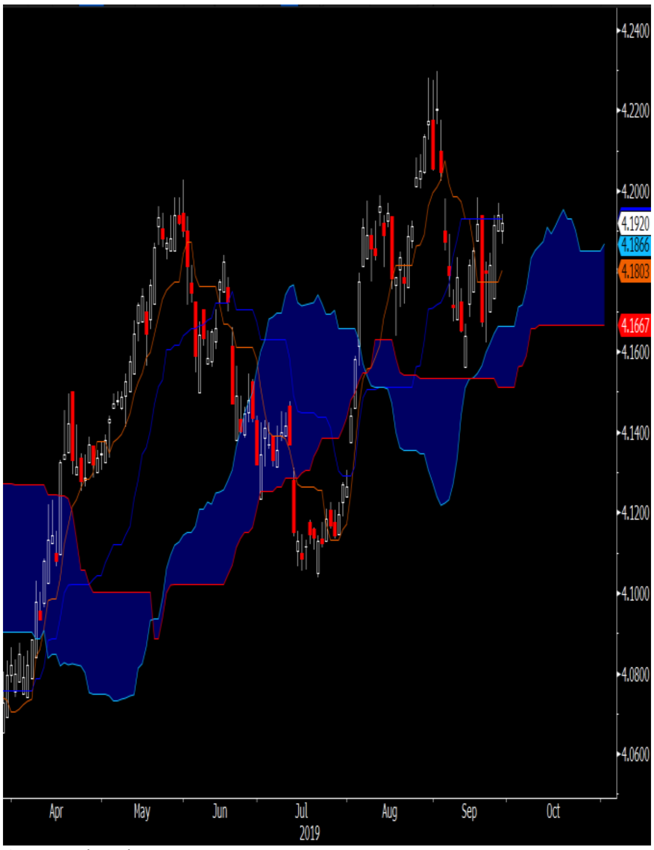
September 27, 2019

Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

Indicative USDMYR 4.1920



Source: Bloomberg

- USDMYR opened marginally lower at 4.1900. **Daily outlook slightly bearish.**

- **Weekly and monthly outlook neutral.**

- **We turn slgihtly bearish on USDMYR today** in anticipation of a relief rally in the MYR post FTSE Russell announcemnt to keep Malaysia in its World Government Bond Index (WGBI) even though it maintains that Malaysia remains in the watch list for a potential exclusion. However, downside in USDMYR is expected to be capped by broad USD strength overnight. **In the medium term, we are neutral on USDMYR** pending the next major Budget event on 11-October.

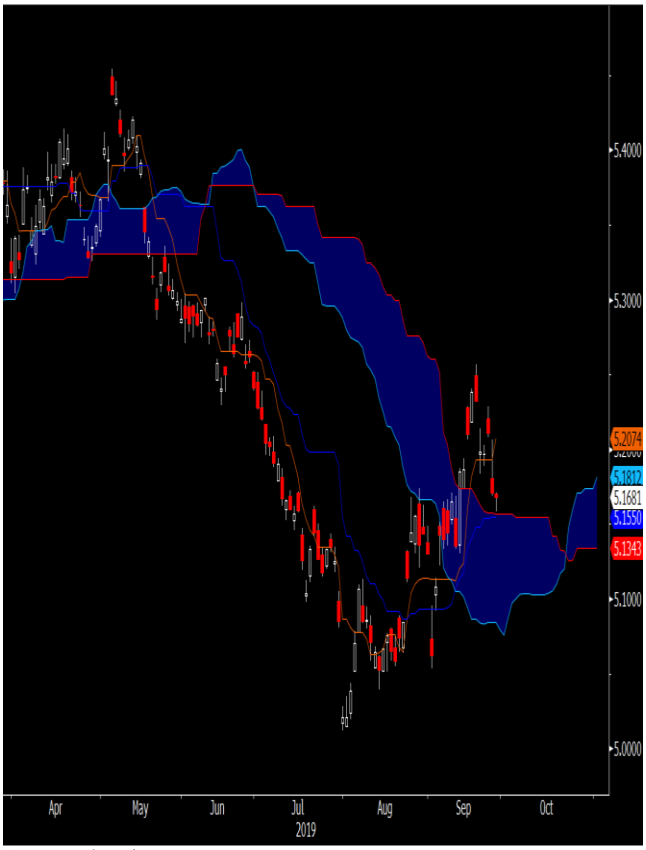
- **Key resistances:** 4.2000 (S1), 4.2050 (S2), 4.2100 (S3)

- **Key supports:** 4.1852 (R1), 4.1809 (R2), 4.1787 (R3)

- **Expected range for the day:** 4.1800- 4.1950

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

Indicative GBPMYR 5.1681



Source: Bloomberg

- GBPMYR opened little changed at 5.1706 today. **Daily outlook bearish.**

- **Weekly and monthly outlook bearish**.

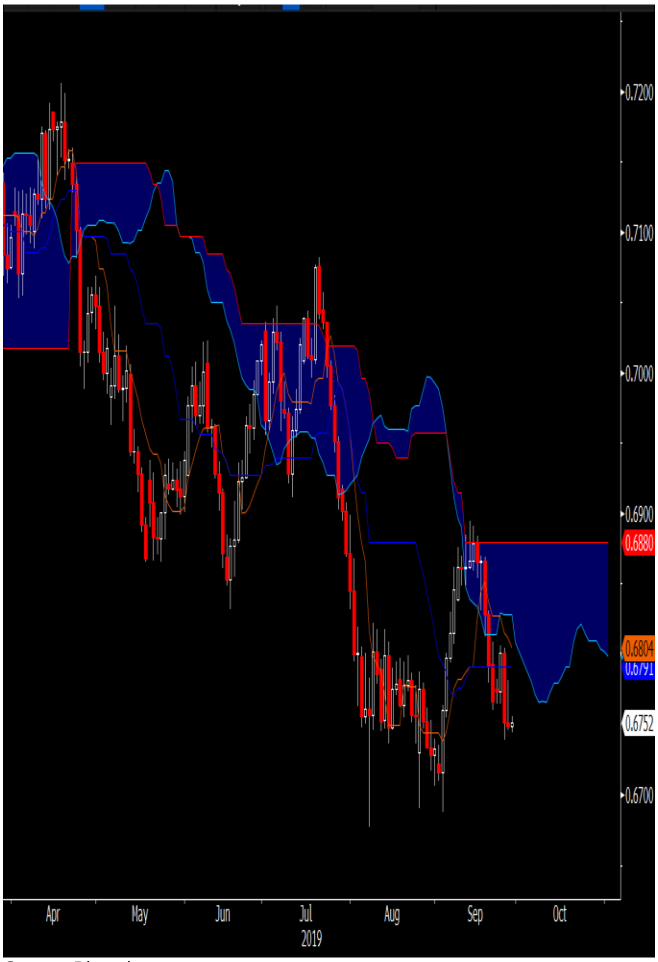
- **We are bearish on the currency pair** today in anticipation of a relief rally in MYR and as ongoing Brexit uncertainties continue to keep GBP strength at bay. **The medium-term outlook remains bearish,** and again is largely determined by Brexit development leading up to the October deadline.

- **Key resistances**: 5.1718 (R1), 5.1790 (R2), 5.1900 (R3)

- **Key supports**: 5.1600 (S1), 5.1540 (S2), 5.1400 (S3)

- **Expected range for the day:** 5.1500- 5.1800

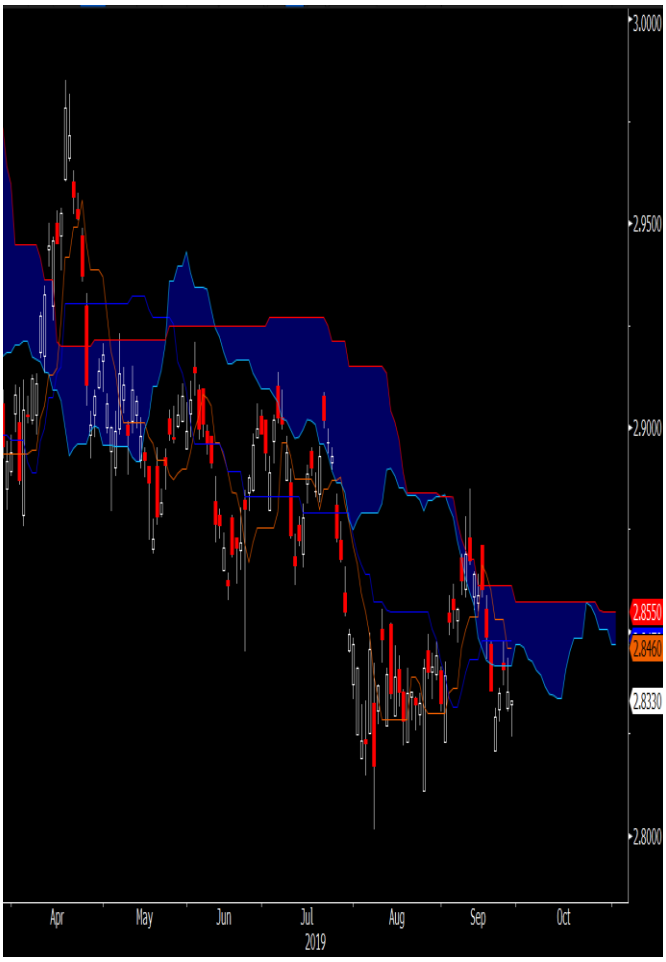
Indicative AUDUSD 0.6752



Source: Bloomberg

- AUDUSD opened unchanged at 0.6749 today. **Daily outlook bearish.**
- **Weekly and monthly outlook bearish.**
- **We are bearish on AUD today** on the back of broad USD strength supported by market jitters amid political drama in the US and flip-flopping US-China trade headlines. **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 will continue to exert a drag on Aussie.
- **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- 0.6780

Indicative AUDMYR 2.8308



Source: Bloomberg

- AUDMYR opened 0.11% lower at 2.8320 today. **Daily outlook slightly bearish.**
- **Weekly and monthly outlook bearish.**
- **We are slightly bearish AUDMYR today** in anticipation of a firmer MYR compounded by a weak AUD. **Over the medium term, we maintain a bearish outlook on AUDMYR** as odds of further RBA easing and prolonged trade tension could continue to pose downside risk to AUD.
- **Key resistances:** 2.8319 (R1), 2.8352 (R2), 2.8404 (R3)
- **Key supports:** 2.8269 (S1), 2.8247 (S2), 2.8226 (S3)
- **Expected range for the day:** 2.8200 – 2.8350

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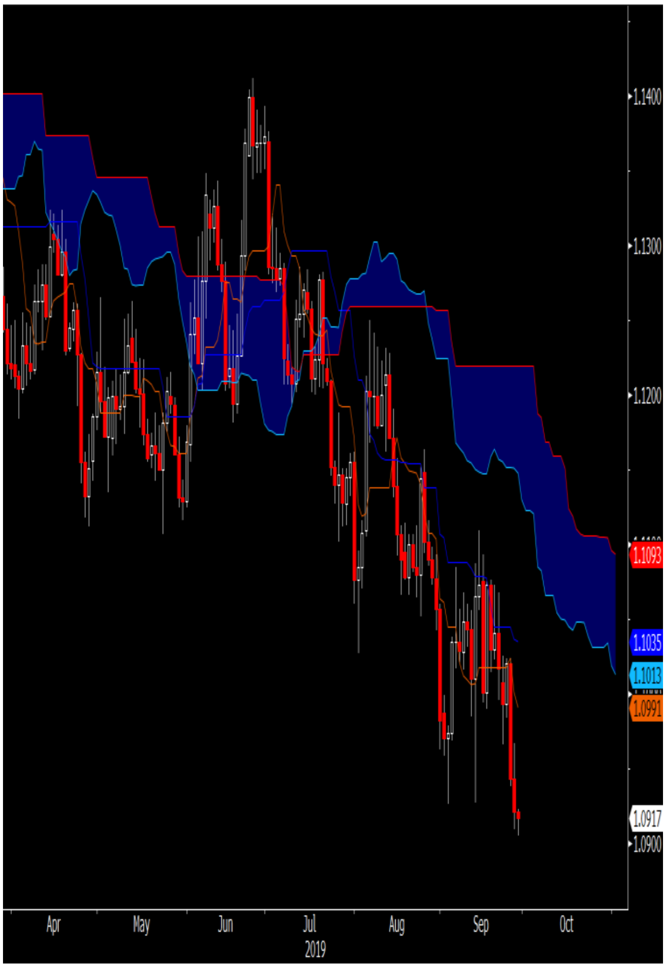
Indicative EURUSD 1.0917



Source: Bloomberg

- EURUSD opened unchanged at 1.0921 today. **Daily outlook bearish.**
- **Weekly and monthly outlook bearish.**
- **We are bearish EURUSD today** on the back of a stronger greenback and lack of positive catalyst to drive EUR bids. **Over the medium term,** t**he EUR is also expected to stay bearish** on poor growth prospects in the Eurozone and the revival of ECB APP program in November.
- **Key resistances:** 1.0944 (R1), 1.0970 (R2), 1.1000 (R3)
- **Key supports:** 1.0909 (S1), 1.0878 (S2), 1.0839 (S3)
- **Expected range for the day:** 1.0880- 1.0950

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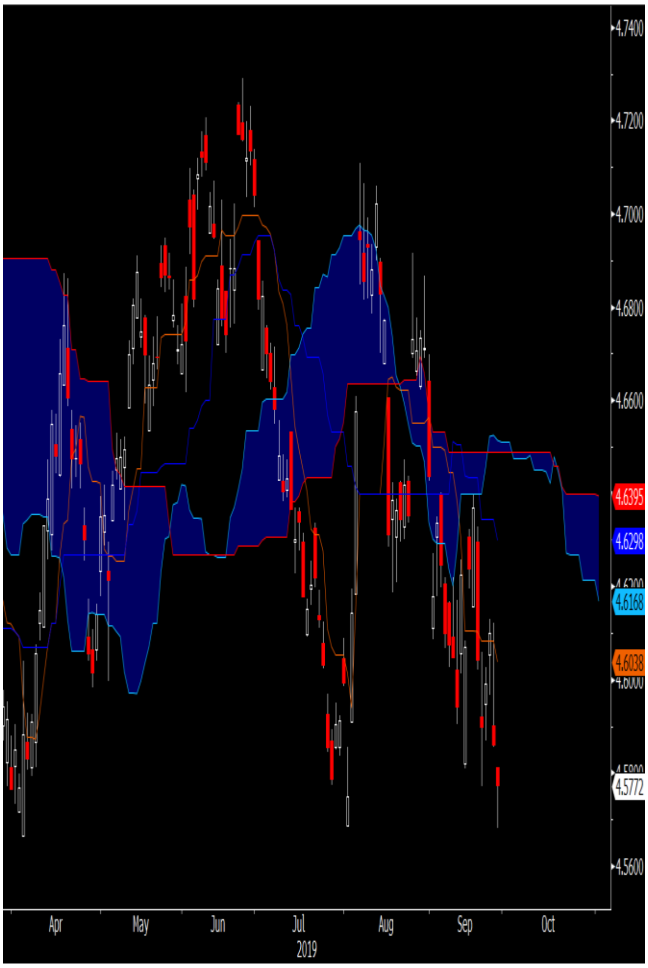
Indicative EURMYR 4.5774



Source: Bloomberg

- EURMYR opened 0.11% lower at 4.5811 today. **Daily outlook bearish.**
- **Weekly and monthly outlook bearish.**
- **We are bearish on EURMYR today on a lower opening as well as expectations for a firmer MYR and softer EUR. 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:** 4.5813 (R1) 4.5850 (R1), 4.5902 (R3)
- **Key supports:** 4.5752 (S1), 4.5714 (S2), 4.5668 (S3)
- **Expected range for the day:** 4.5600– 4.5800

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