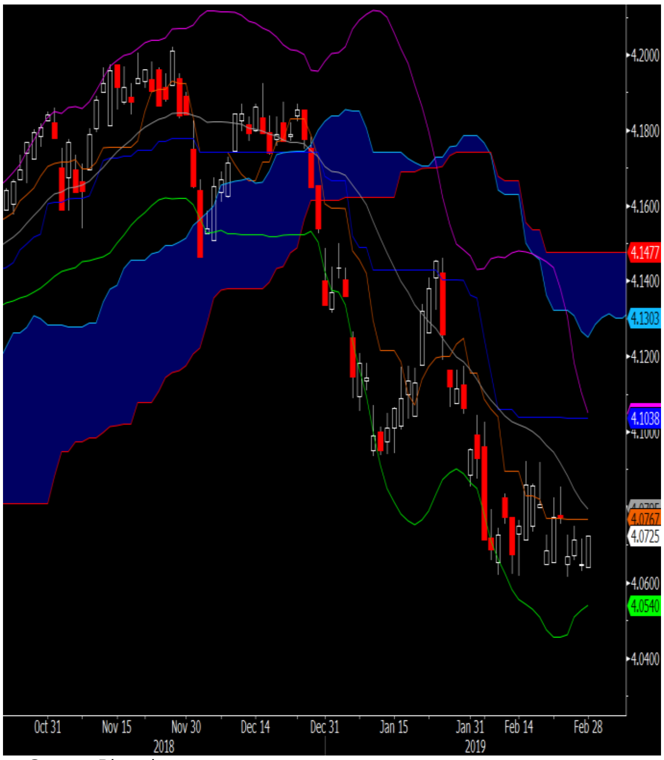
February 28, 2019

Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

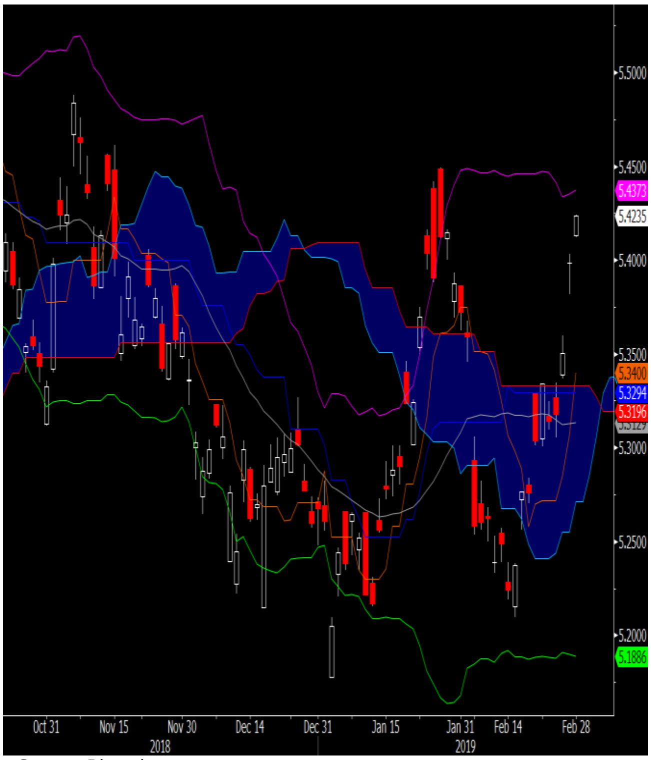
Indicative USDMYR 4.0725



Source: Bloomberg

- USDMYR opened lower today. **Daily outlook slightly bullish**, in anticipation of pressure from receding risk appetite in the markets.
- **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:** 4.0750 (R1), 4.0770 (R2), 4.0795 (R3)
- **Key supports:** 4.0700 (S1), 4.0670 (S2), 4.0650 (S3)
- **Expected range for the day:** 4.0640 – 4.0760

Indicative GBPMYR 5.4235

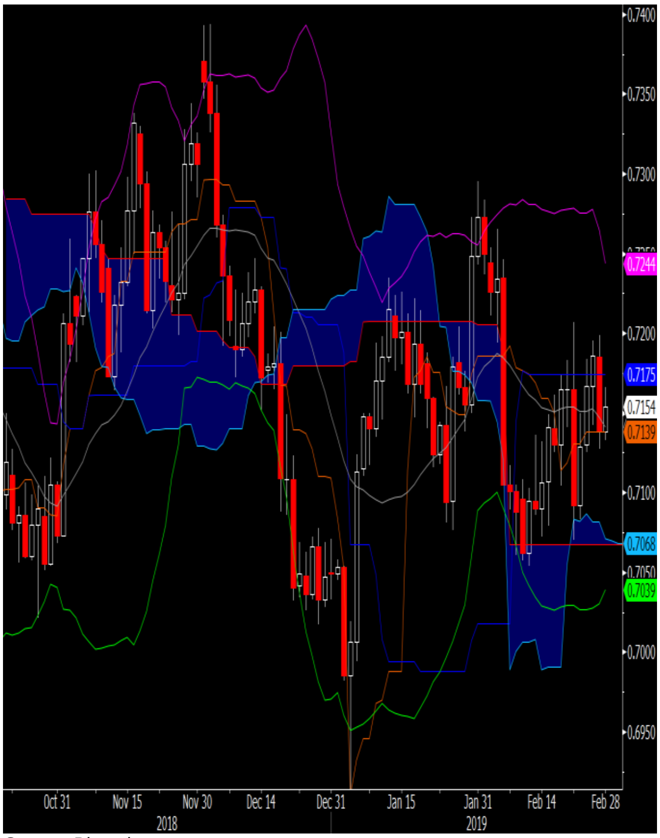


Source: Bloomberg

- GBPMYR opened 143pips higher at 5.4130 today. **Daily outlook bullish**, lifted by the sharply higher opening.
- **Weekly outlook bullish, monthly outlook bearish**.
- We maintain that, amid another gap-up, GBPMYR's ability to push higher is growing more questionable. Risk of rejection is likely to increase approaching 5.4372 – 5.4418.
- **Key resistances**: 5.4250 (R1), 5.4280 (R2), 5.4300 (R3)
- **Key supports**: 5.4200 (S1), 5.4146 (S2), 5.4100 (S3)
- **Expected range for the day:** 5.4100 – 5.4260

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

Indicative AUDUSD 0.7154



Source: Bloomberg

- AUDUSD opened unchanged at 0.7138 today. **Daily outlook slightly bearish**, anticipating downside pressure from easing risk appetite in the markets.
- **Weekly outlook bullish, monthly outlook bearish**.
- As noted yesterday, we maintain that AUDUSD may pull back for another day before resuming its climb. But we caution that AUDUSD is at risk of losing current bullish trend if it closes below 0.7129 today, or fails to hover above 0.7167 tomorrow.
- **Key resistances:** 0.7167 (R1), 0.7175 (R2), 0.7185 (R3)
- **Key supports:** 0.7150 (S1), 0.7141 (S2), 0.7129 (S3)
- **Expected range for the day:** 0.7110 – 0.7170

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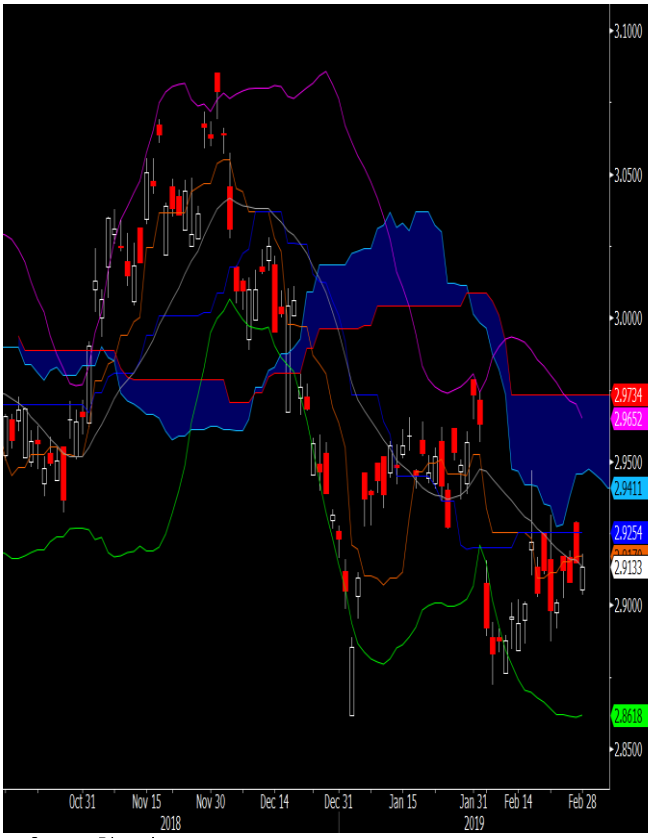
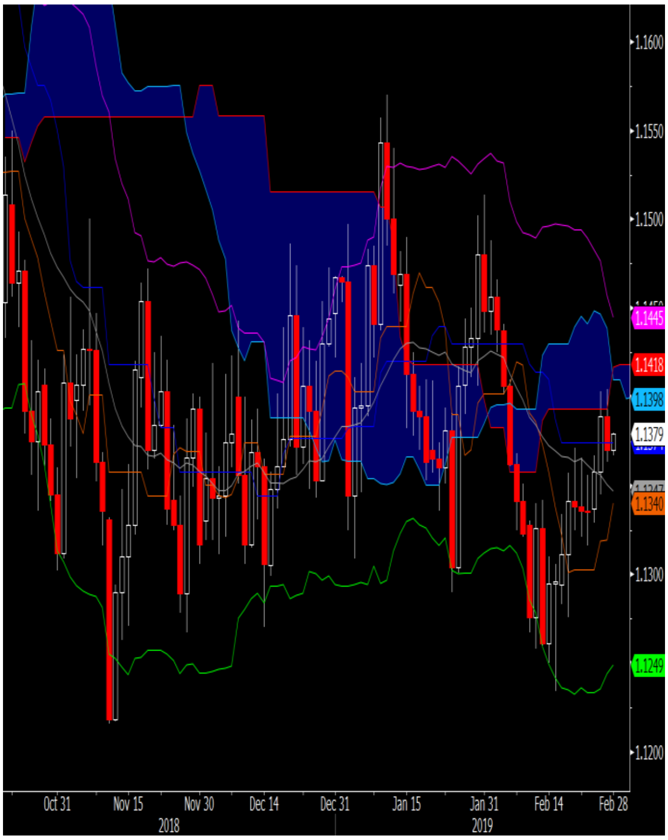
Indicative AUDMYR 2.9133



Source: Bloomberg

- AUDMYR opened 95pips lower at 2.9054 today. **Daily outlook bearish**, weighed down by the lower opening as well as downside potential in AUD amid receding risk appetite.
- **Weekly outlook bullish, monthly outlook bearish**.
- Upside bias in AUDMYR is growing more skeptical. Beating 2.9133, preferably 2.9170, today will reinstate a firm upside bias, otherwise the risk of sliding lower back to 2.8874 will increase,
- **Key resistances:** 2.9170 (R1), 2.9200 (R2), 2.9254 (R3)
- **Key supports:** 2.9100 (S1), 2.9085 (S2), 2.9046 (S3)
- **Expected range for the day:** 2.9020 – 2.9180

Indicative EURUSD 1.1379



Source: Bloomberg

- EURUSD opened unchanged at 1.1370 today. **Daily outlook bullish** in anticipation of a soft USD.
- **Weekly outlook bullish, monthly outlook bearish**.
- EURUSD remains in a bullish trend. While holding 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.
- **Expect a potential advance to 1.1444**, otherwise curbed by a close below 1.1340.
- **Key resistances:** 1.1387 (R1), 1.1395 (R2), 1.1416 (R3)
- **Key supports:** 1.1367 (S1), 1.1350 (S2), 1.1340 (S3)
- **Expected range for the day:** 1.1365 – 1.1400

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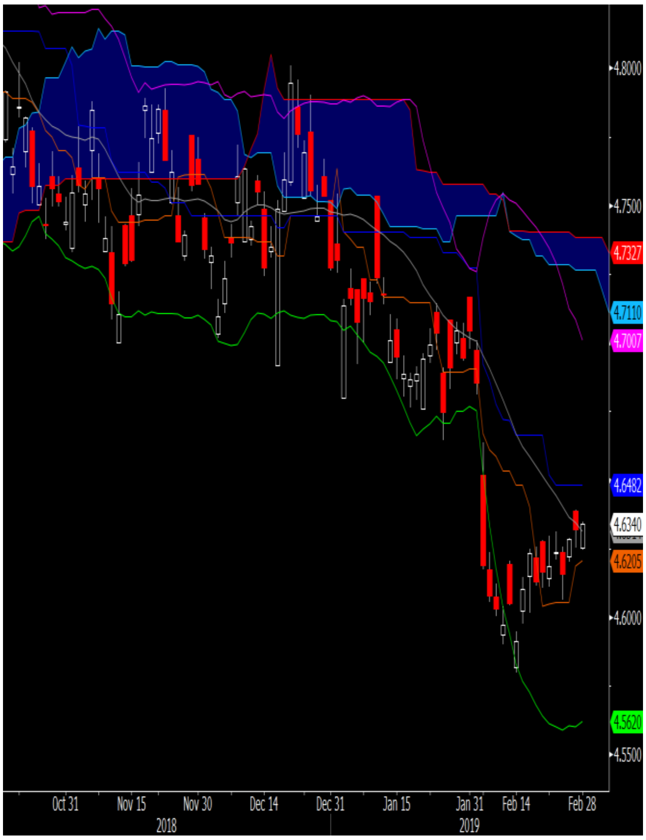
Indicative EURMYR 4.6340



Source: Bloomberg

- EURMYR opened 68pips lower at 4.6253 today. **Daily outlook slightly 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.
- **Expect a potential advance to 4.6633**, otherwise curbed by a close below 4.6205.
- **Key resistances:** 4.6346 (R1), 4.6393 (R2), 4.6420 (R3)
- **Key supports:** 4.6314 (S1), 4.6300 (S2), 4.6287 (S3)
- **Expected range for the day:** 4.6240 – 4.6360

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