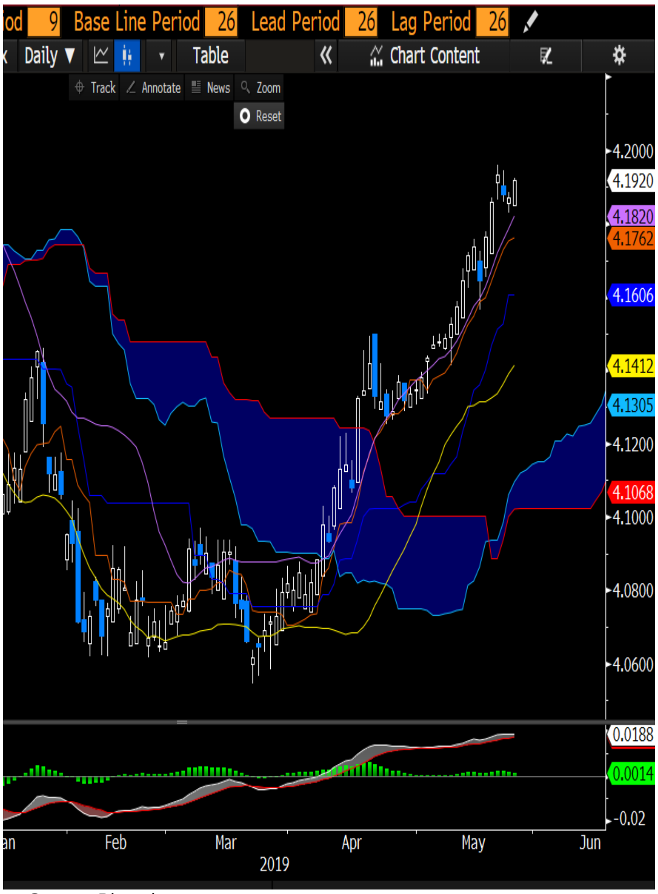
May 28, 2019

Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

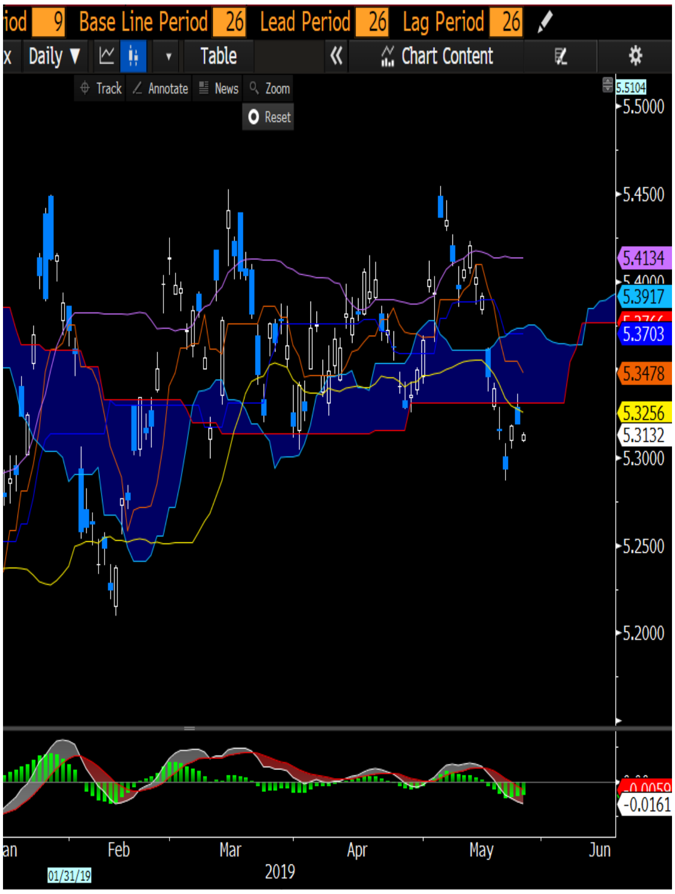
Indicative USDMYR 4.1900



Source: Bloomberg

- USDMYR opened marginally lower at 4.1850 against a broadly stronger USD against the majors. **Daily outlook mildly bullish.**
- **Weekly and monthly outlook bullish**.
- **MYR remains bearish** as US-China trade spat continues to dominate headlines alongside a UK leadership crisis over Brexit. US and UK holiday kept things mild overnight which is likely to spill over to Asian session today given a rather empty data calendar. Consolidation likely in the short term and expect headlines to drive direction 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 – 4.1950

Indicative GBPMYR 5.3140



Source: Bloomberg

- GBPMYR opened 0.18% lower at 5.3096 today. **Daily outlook bearish** on weak GBP component.
- **Weekly outlook bearish and monthly outlook neutral**.
- We remain bearish GBP as the pair still remains within the trend channel lower and is likely to continue to trend lower with the leadership crisis to weigh on top of ongoing Brexit issues.
- **Key resistances**: 5.3300 (R1), 5.3500 (R2), 5.3650 (R3)
- **Key supports**: 5.3100 (S1), 5.2800 (S2), 5.2600 (S3)
- **Expected range for the day:** 5.2900 – 5.3300

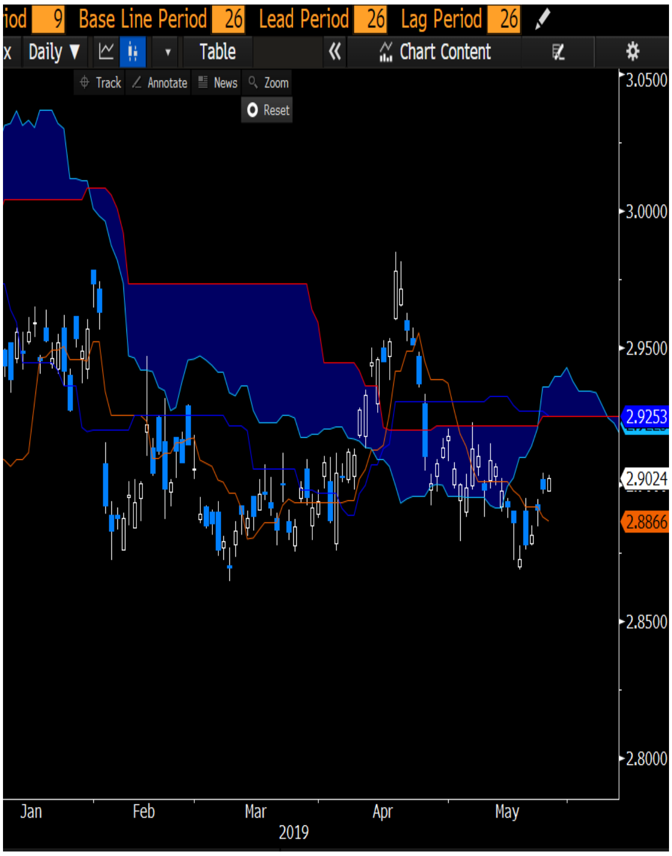
** levels are quoted based on spot prices at time of writing, bid/ask prices may vary*

Indicative AUDUSD 0.6925

Source: Bloomberg

- AUDUSD opened unchanged at 0.6918 today. **Daily outlook neutral.**
- **Weekly and monthly outlook bearish**.
- **We remain bearish on AUD** as investor focus now shifts towards the possibility of a RBA rate cut next month. AUD is likely to be affected by ongoing trade tensions as it is closely tied to the health of the Chinese economy.
- **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:** 0.6880 – 0.6940

Indicative AUDMYR 2.9015



Source: Bloomberg

- AUDMYR opened a tad lower at 2.8977 today. **Daily outlook mildly bullish.**
- **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 stronger USD overnight lending some strength to USDMYR component but gains may be muted in the Asian session as data calendar remains light.
- **Key resistances:** 2.9130 (R1), 2.9200 (R2), 2.9400 (R3)
- **Key supports:** 2.8950 (S1), 2.8800 (S2), 2.8700 (S3)
- **Expected range for the day:** 2.8900 – 2.9100

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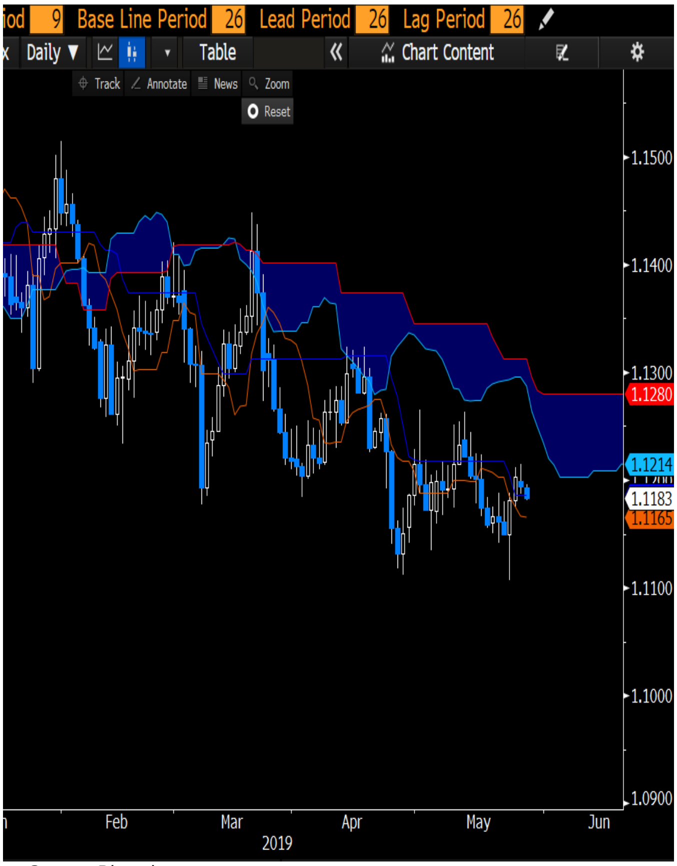
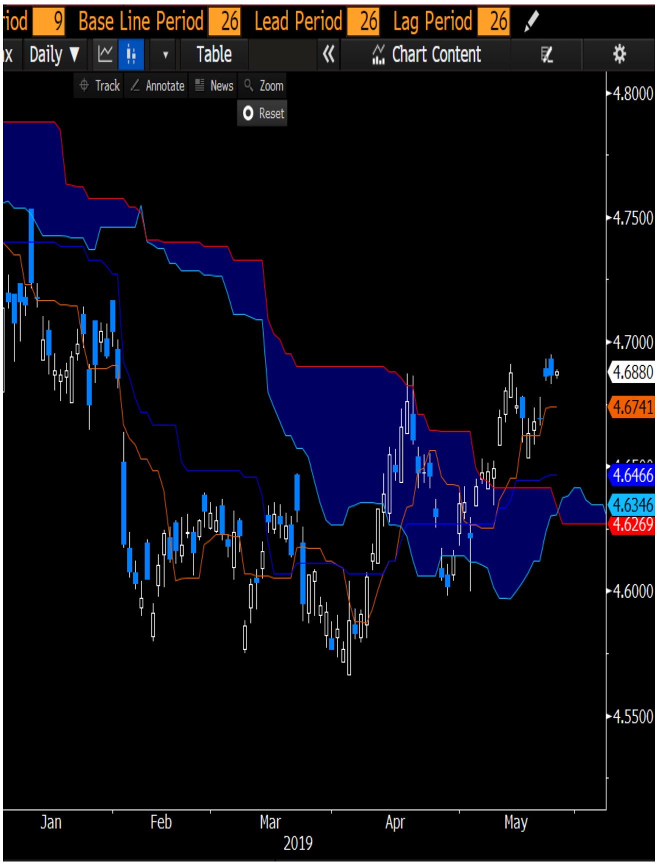
Indicative EURUSD 1.1193



Source: Bloomberg

- EURUSD opened flat at 1.1193 today. **Daily outlook bearish.**
- **Weekly outlook neutral and monthly outlook bearish**.
- **We remain neutral on EUR** as the pair has managed to break through multiple moving average resistances and seems to be consolidating recent gains whilst waiting for directional cues from EU election headlines as data calendar remains light.
- **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 4.6900



Source: Bloomberg

- EURMYR opened flat at 4.6867 today. **Daily outlook mildly bearish.**
- **Weekly outlook bullish, monthly outlook bearish**.
- Pair is looking neutral to mildly bearish 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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