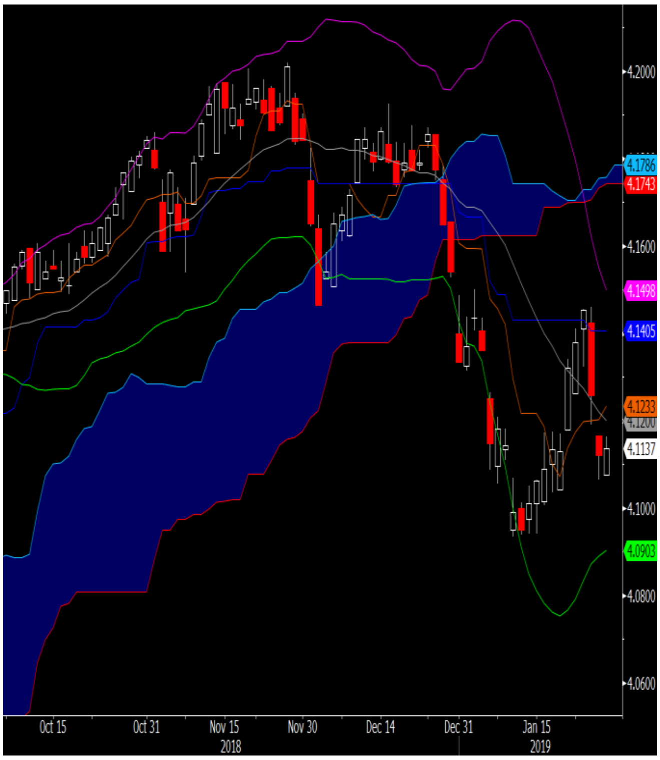
Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

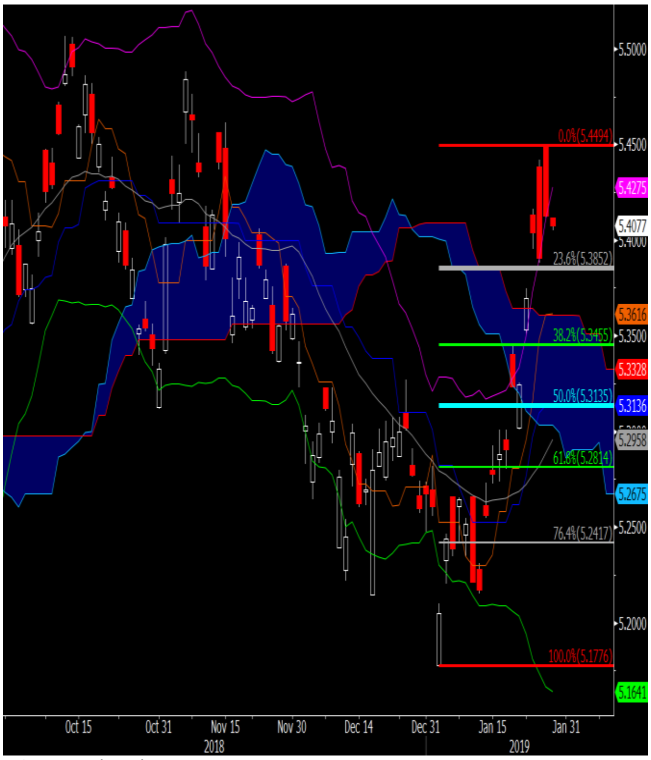
Indicative USDMYR 4.1137



Source: Bloomberg

- USDMYR opened lower today. **Daily outlook slightly bearish** on the back of a soft USD but gains are likely modest amid rising risk aversion in the markets.
- **Weekly and monthly outlook bearish**.
- USDMYR is still inclined to the downsides in our view, with room to slide to circa 4.1055, below which 4.0940 will be targeted. Until then, there may be scope for a mild rebound, but as long as 4.1230 is not breached, a downside bias sustains.
- **Key resistances:** 4.1155 (R1), 4.1200 (R2), 4.1230 (R3)
- **Key supports:** 4.1110 (S1), 4.1070 (S2), 4.1050 (S3)
- **Expected range for the day:** 4.1050 – 4.1165

Indicative GBPMYR 5.4077

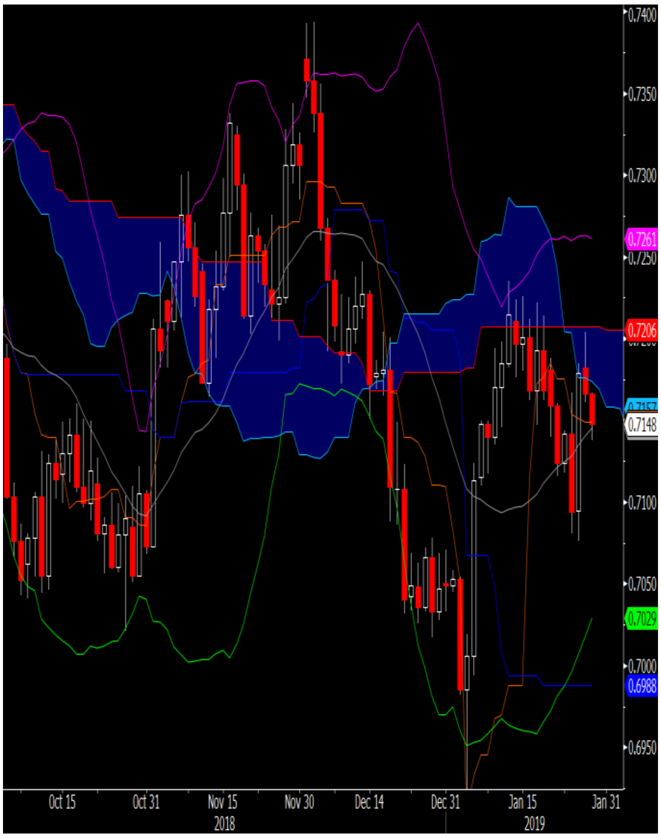


Source: Bloomberg

- GBPMYR opened 14pips lower at 5.4114 today. **Daily outlook slightly bearish** as we anticipate potential for GBP to turn softer amid risk aversion ahead of UK parliamentary vote on Brexit direction going forward.
- **Weekly outlook bearish, monthly outlook bullish**.
- We maintain our view that GBPMYR is overstretched and is likely headed for a correction lower. GBPMYR has expectedly dropped below 5.4123, and will likely head for a break below 5.3874 going forward.
- **Continue to expect a potential drop to 5.3874**, otherwise curbed by a close above 5.4200.
- **Key resistances**: 5.4114 (R1), 5.4163 (R2), 5.4200 (R3)
- **Key supports**: 5.4050 (S1), 5.4000 (S2), 5.3951 (S3)
- **Expected range for the day:** 5.4000 – 5.4120

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

Indicative AUDUSD 0.7148

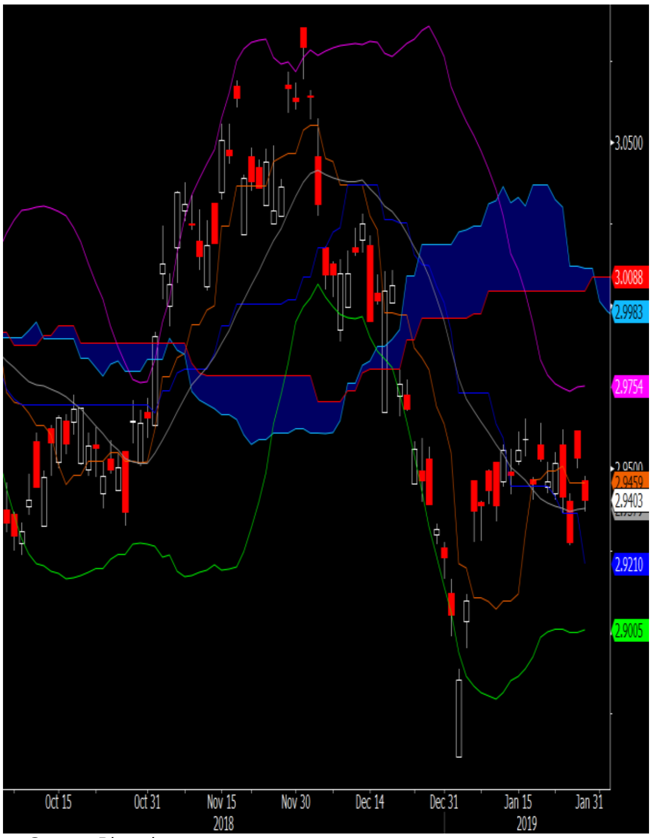


Source: Bloomberg

- AUDUSD opened unchanged at 0.7166 today. **Daily outlook slightly bearish**, weighed down by renewed risk aversion in the markets.
- **Weekly and monthly outlook bullish**.
- We caution that AUDUSD may still be pulling back from recent rally, further encouraged by yesterday's rejection near 0.7207. Unless AUDUSD closes below 0.7142 today, we maintain that a bullish bias sustains and suggests a move above 0.7179 before the week is out.
- **Continue to expect a potential climb to 0.7267**, otherwise curbed by a close below 0.7110.
- **Key resistances:** 0.7166 (R1), 0.7173 (R2), 0.7185 (R3)
- **Key supports:** 0.7145 (S1), 0.7120 (S2), 0.7100 (S3)
- **Expected range for the day:** 0.7140 – 0.7175

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

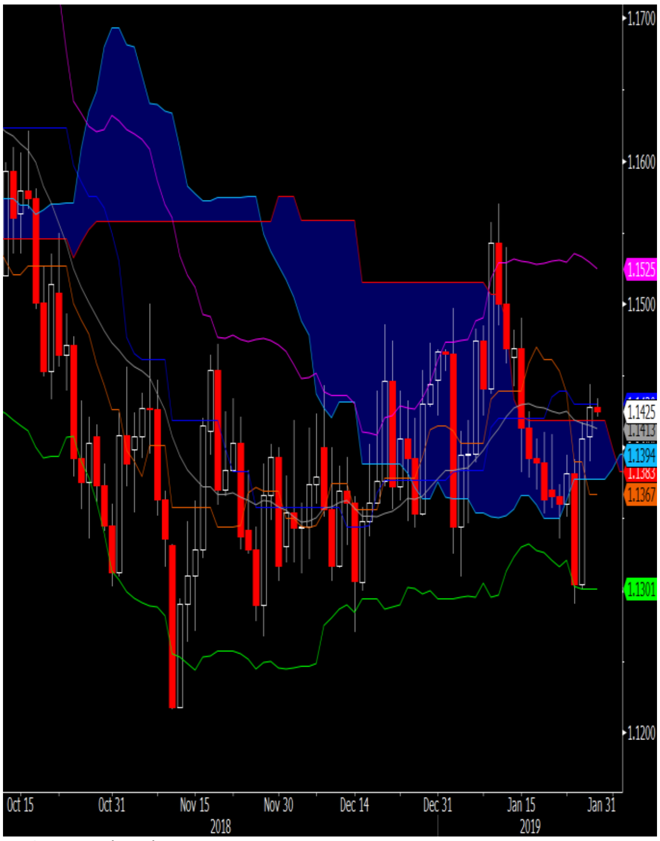
Indicative AUDMYR 2.9423



Source: Bloomberg

- AUDMYR opened 70pips lower at 2.9464 today. **Daily outlook bullish**, lifted by the sharply higher opening.
- **Weekly and monthly outlook bullish**.
- AUDMYR remains tilted upwards so long as it does not slip back below 2.9369, with room to test 2.9654, above which 2.9753 will be challenged.
- **Key resistances:** 2.9459 (R1), 2.9476 (R2), 2.9500 (R3)
- **Key supports:** 2.9400 (S1), 2.9381 (S2), 2.9369 (S3)
- **Expected range for the day:** 2.9370 – 2.9450

Indicative EURUSD 1.1425

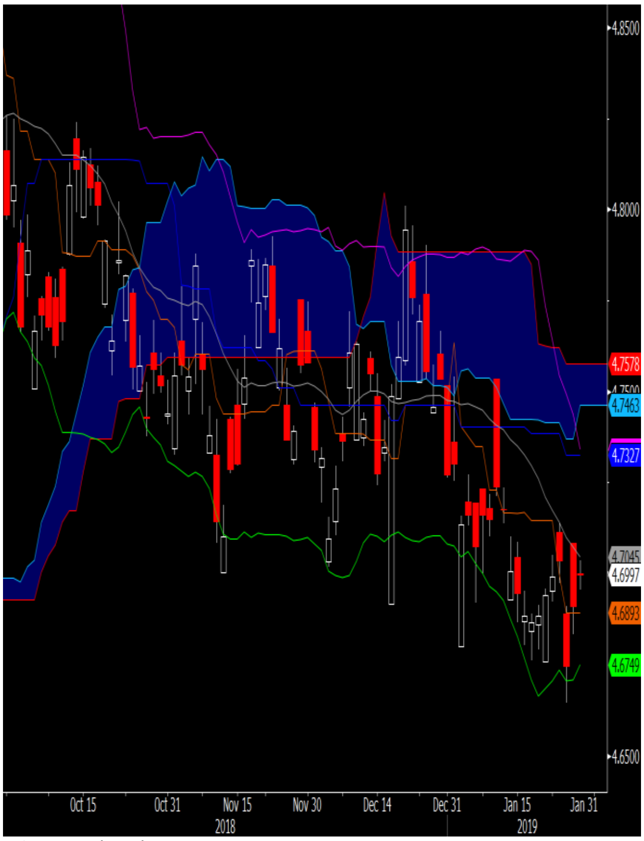


Source: Bloomberg

- EURUSD opened unchanged at 1.1428 today. **Daily outlook bullish**, anticipating a soft USD.
- **Weekly outlook bearish, monthly outlook neutral**.
- Technical outlook for EURUSD has improved further after breaking above 1.1418. We continue to expect that beating 1.1430 will expose EURUSD to a climb towards 1.1471. Caution that a pullback after recent rally is reasonable, so long it holds above 1.1398.
- **Continue to expect a potential advance to 1.1471**, otherwise curbed by a close below 1.1394.
- **Key resistances:** 1.1430 (R1), 1.1444 (R2), 1.1469 (R3)
- **Key supports:** 1.1418 (S1), 1.1413 (S2), 1.1397 (S3)
- **Expected range for the day:** 1.1410 – 1.1460

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

Indicative EURMYR 4.6997



Source: Bloomberg

- EURMYR opened 88pips higher at 4.6999 today. **Daily outlook bullish**, lifted by the sharply higher opening and potential for further EUR gains.
- **Weekly outlook bullish, monthly outlook neutral**.
- Technical outlook for EURMYR has improved after holding above 4.6884, while momentum has turned upward. Expect EURMYR to attempt a break at 4.7044 soon, above which 4.7193 will be targeted.
- **Expect a potential advance to 4.7193**, otherwise curbed by a close below 4.6900.
- **Key resistances:** 4.7017 (R1), 4.7045 (R2), 4.7089 (R3)
- **Key supports:** 4.6971 (S1), 4.6957 (S2), 4.6924 (S3)
- **Expected range for the day:** 4.6950 – 4.7080

Hong Leong Bank Berhad
Fixed Income & Economic Research, Global Markets
Level 8, Hong Leong Tower
6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
Tel: 603-2081 1221
Fax: 603-2081 8936
Email: HLMarkets@hlbb.hongleong.com.my