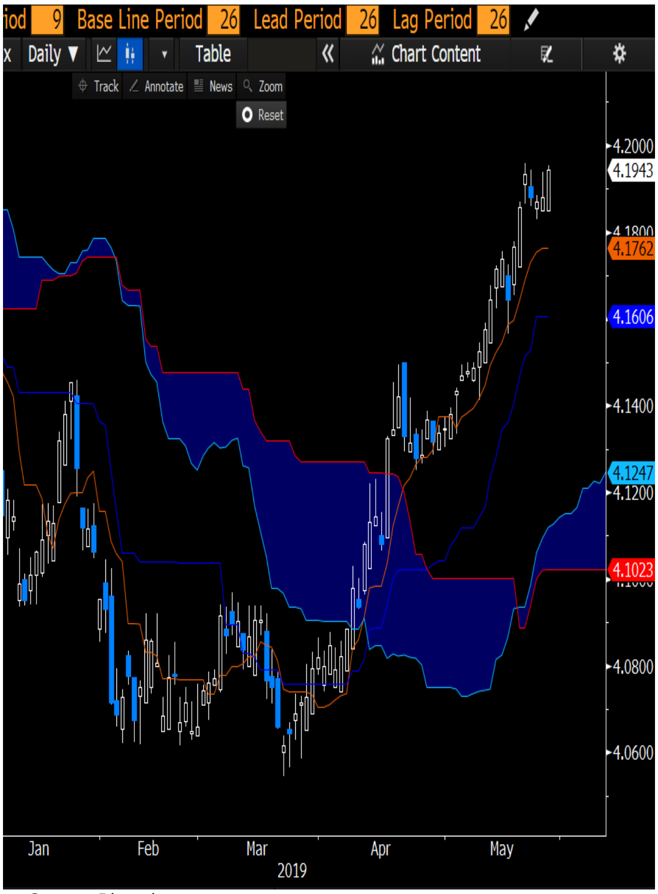
May 29, 2019

Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

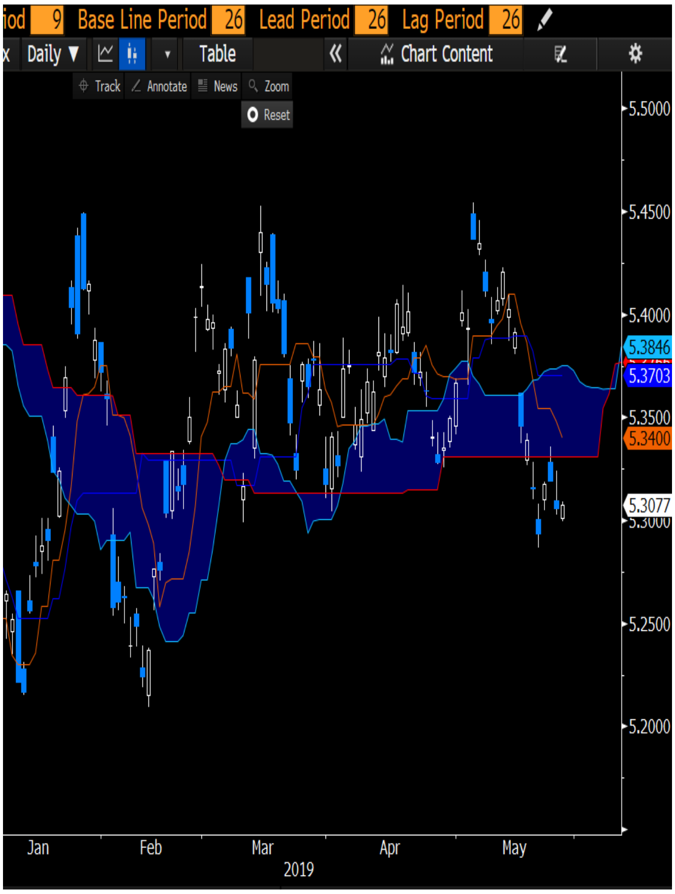
Indicative USDMYR 4.1940



Source: Bloomberg

- USDMYR opened marginally lower at 4.1850 against a broadly stronger USD on risk aversion. **Daily outlook mildly bullish.**
- **Weekly and monthly outlook bullish**.
- **MYR remains bearish** as risk off mood in NYK session likely to continue in Asia today as the Trump administration continues to harp on trade issues including currency manipulation claims being the latest. This will likely support further bearishness as investor and business appetite will likely sour on these kind of headlines.
- **Key resistances:** 4.1950 (R1), 4.1975 (R2), 4.2000 (R3)
- **Key supports:** 4.1900 (S1), 4.1875 (S2), 4.1850 (S3)
- **Expected range for the day:** 4.1890 – 4.1970

Indicative GBPMYR 5.3080

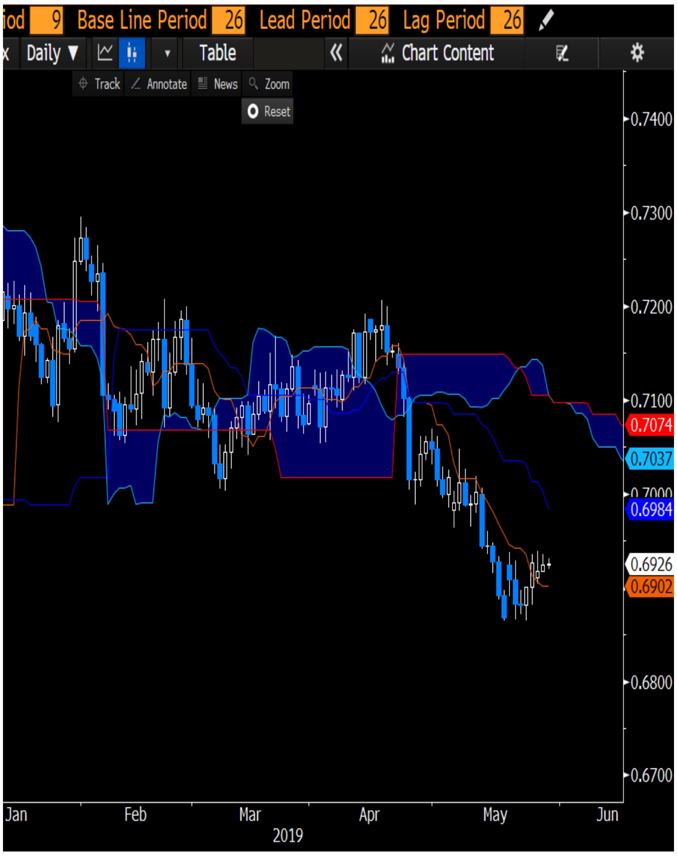


Source: Bloomberg

- GBPMYR opened 0.09% lower at 5.3013 today. **Daily outlook neutral** on conflicting components.
- **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 Brexit and trade issues likely to weigh down on GBP.
- **Key resistances**: 5.3200 (R1), 5.3400 (R2), 5.3550 (R3)
- **Key supports**: 5.3000 (S1), 5.2800 (S2), 5.2600 (S3)
- **Expected range for the day:** 5.2900 – 5.3200

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

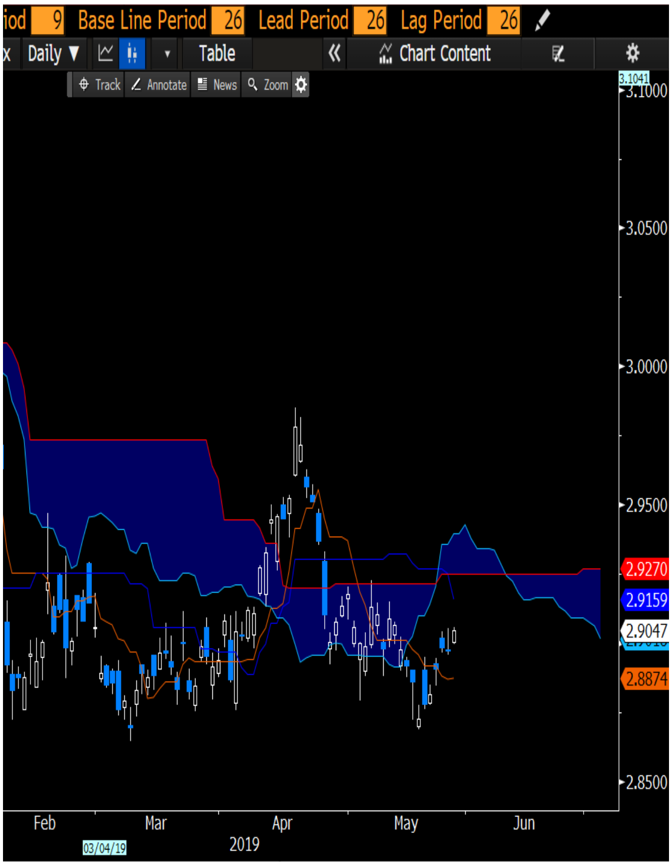
Indicative AUDUSD 0.6925



Source: Bloomberg

- AUDUSD opened unchanged at 0.6924 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 2.9055



Source: Bloomberg

- AUDMYR opened 0.11% higher at 2.9004 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 as we approach strong resistance levels.
- **Key resistances:** 2.9130 (R1), 2.9200 (R2), 2.9400 (R3)
- **Key supports:** 2.9000 (S1), 2.8900 (S2), 2.8800 (S3)
- **Expected range for the day:** 2.9000 – 2.9150

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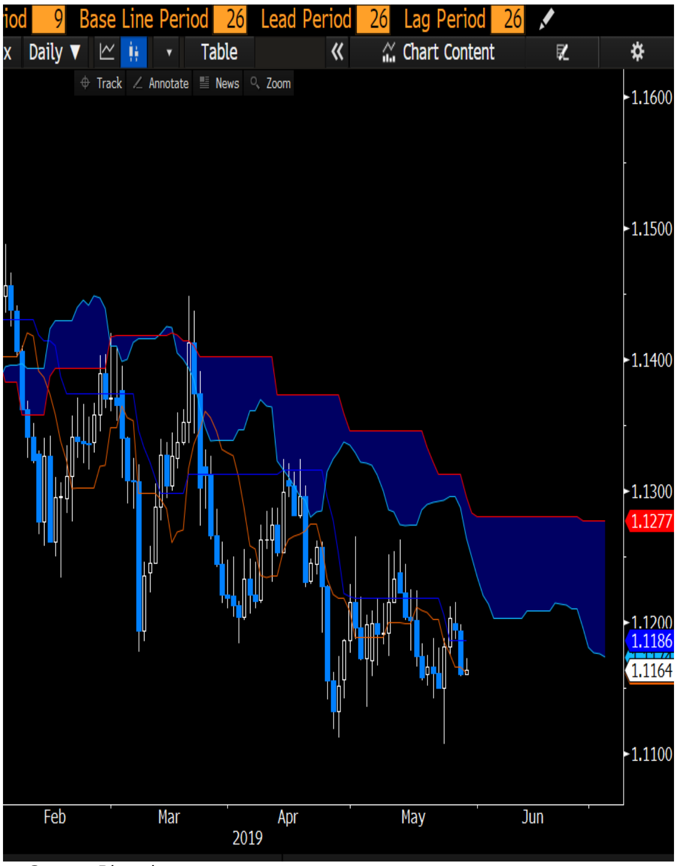
Indicative EURUSD 1.1167



Source: Bloomberg

- EURUSD opened unchanged at 1.1160 today. **Daily outlook neutral.**
- **Weekly outlook neutral and monthly outlook bearish**.
- **We turn bearish on EUR** as it is more or less confirmed that pair is unlikely to break the 1.1230 resistance so long as Brexit and trade concerns continue to weigh alongside EU election sentiment. Pair is likely to continue to consolidate lower, capped by falling Ichimoku cloud bottom.
- **Key resistances:** 1.1200 (R1), 1.1235 (R2), 1.1250 (R3)
- **Key supports:** 1.1150 (S1), 1.1120 (S2), 1.1100 (S3)
- **Expected range for the day:** 1.1120 – 1.1190

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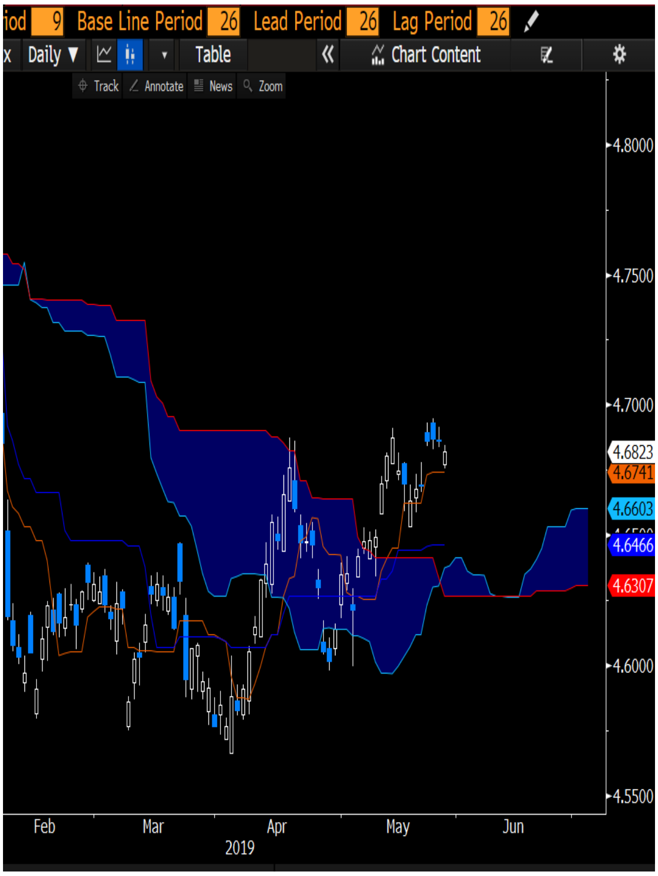
Indicative EURMYR 4.6845



Source: Bloomberg

- EURMYR opened 0.20% weaker at 4.6771 today. **Daily outlook mildly bullish.**
- **Weekly outlook bullish, monthly outlook bearish**.
- Pair is looking neutral to mildly bullish in the short term thanks to a bullish USDMYR component on risk off mood, supporting the trend higher in EURMYR towards 4.7030 target.
- **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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