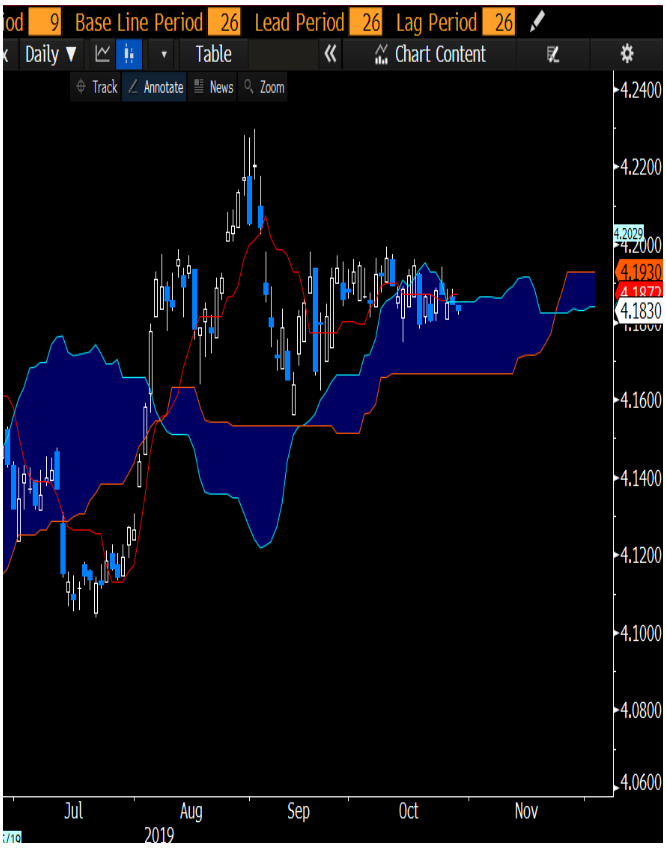
October 29, 2019

Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

Indicative USDMYR 4.1850

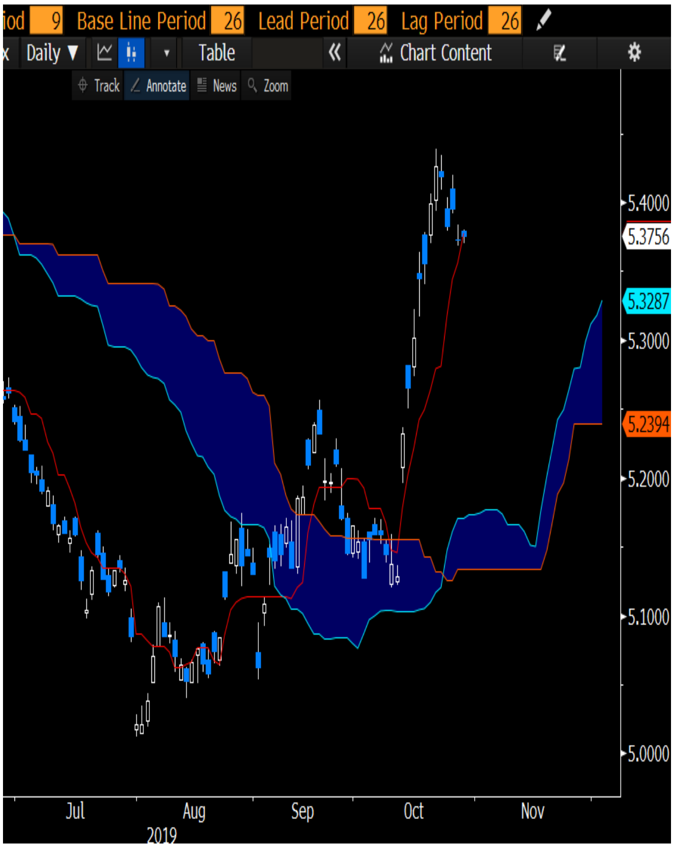


Source: Bloomberg

- USDMYR opened almost unchanged at 4.1842 today. **Daily outlook neutral to mildly bearish.**
- **Weekly outlook neutral and monthly outlook neutral to slightly bullish.**
- **We are neutral to mildly bearish USDMYR today** as the broad USD traded with a soft tone as risk appetite improves somewhat on trade optimism. **We remain bearish USDMYR over the medium term** on an expected Fed rate cut this week and its balance sheet expansion plan.
- **Key resistances:** 4.1900 (S1), 4.1950 (S2), 4.2000 (S3)
- **Key supports:** 4.1800 (R1), 4.1750 (R2), 4.1700 (R3)
- **Expected range for the day:** 4.1750- 4.1950

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

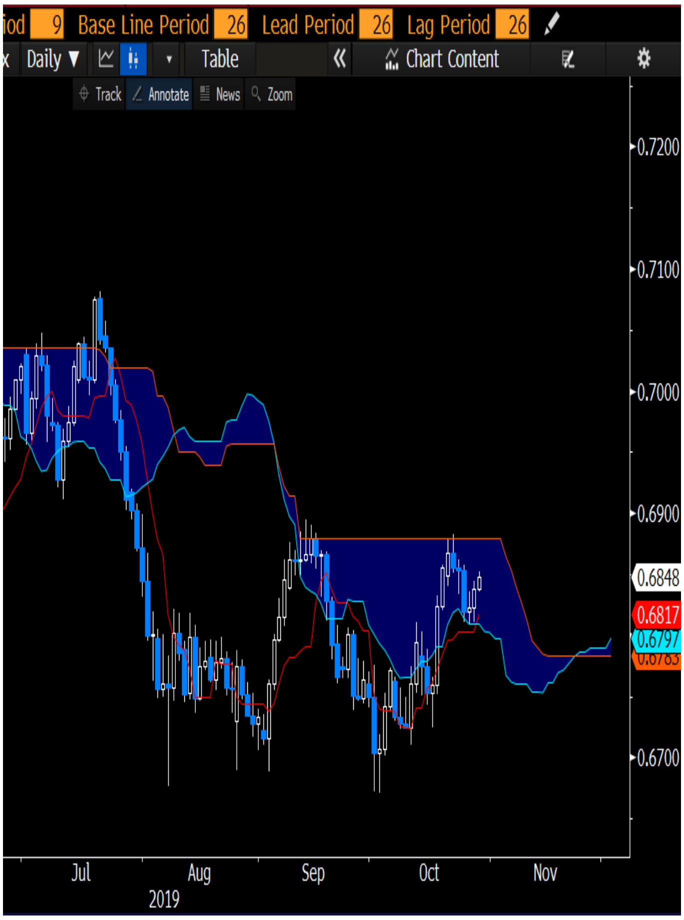
Indicative GBPMYR 5.3756



Source: Bloomberg

- GBPMYR opened 0.12% higher at 5.3796 today. **Daily outlook mildly bearish.**
- **Weekly outlook bearish; monthly outlook neutral** and will be **headlines driven.**
- **We remain mildly bearish on GBP in the interim** as UK lawmakers struggle to come to terms with what looks like an inevitable snap election coming into picture due to Brexit timelines.
- **Key resistances**: 5.3950 (R1), 5.4150 (R2), 5.4300 (R3)
- **Key supports**: 5.3600 (S1), 5.3500 (S2), 5.3400 (S3)
- **Expected range for the day:** 5.3600- 5.3900

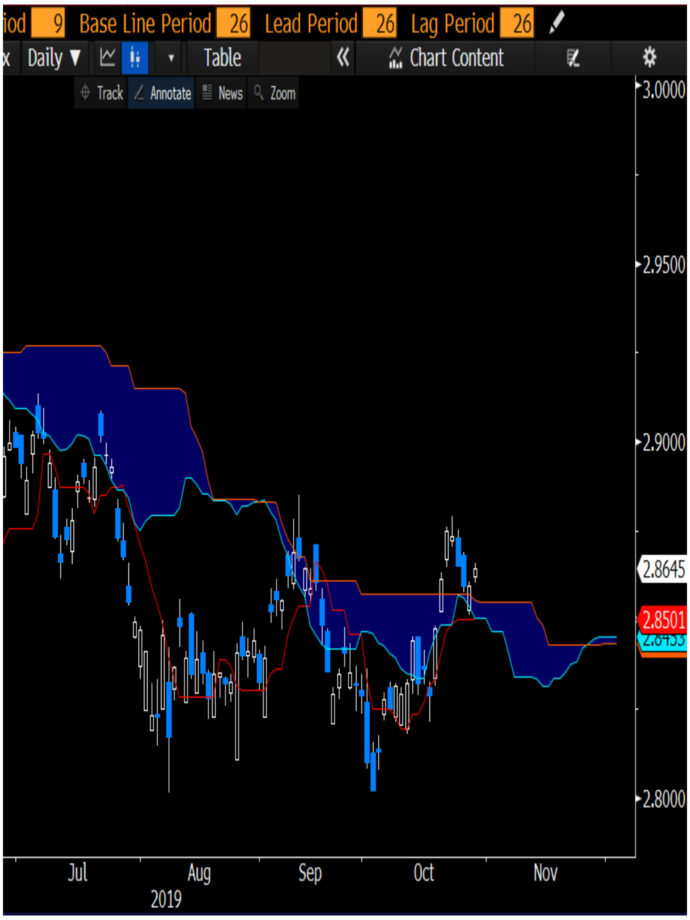
Indicative AUDUSD 0.6848



Source: Bloomberg

- AUDUSD opened unchanged at 0.6838 today. **Daily outlook neutral to mildly bullish.**
- **Weekly outlook neutral and monthly outlook bearish.**
- **We are neutral to mildly bullish AUD today** as the overall USD lost some strength on receding Brexit fears and improving trade optimism. **We remain bearish AUD over the medium term** on potential RBA easing in the face of slower global growth and prolonged trade uncertainty.
- **Key resistances:** 0.6875 (R1), 0.6900 (R2), 0.6925 (R3)
- **Key supports:** 0.6825 (S1), 0.6800 (S2), 0.6775 (S3)
- **Expected range for the day:** 0.6825- 0.6875

Indicative AUDMYR 2.8647

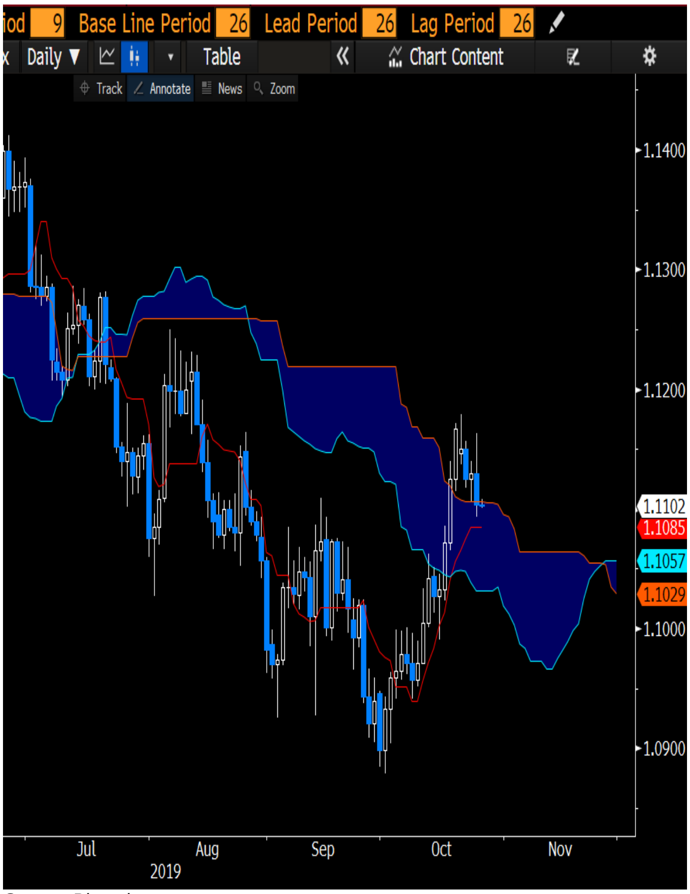


Source: Bloomberg

- AUDMYR opened marginally higher at 2.8620 today. **Daily outlook neutral.**
- **Weekly outlook bullish and monthly outlook bearish.**
- **We are neutral to mildly bullish on pair today** as both components are in conflict due to a mildly weaker USD on improving risk appetite due to receding Brexit fears and improving trade optimism. **In the medium term, we remain bearish AUD** on potential RBA easing in the face of slower global growth and prolonged trade uncertainty.
- **Key resistances:** 2.8750 (R1), 2.8850 (R2), 2.9000 (R3)
- **Key supports:** 2.8550 (S1), 2.8450 (S2), 2.8350 (S3)
- **Expected range for the day:** 2.8500 – 2.8700

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

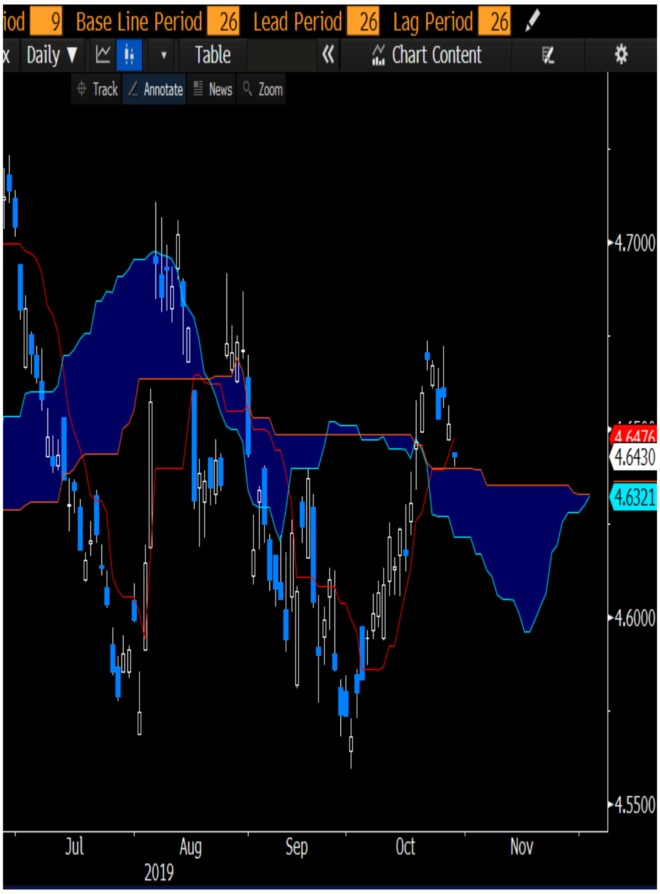
Indicative EURUSD 1.1100



Source: Bloomberg

- EURUSD opened unchanged at 1.1100 today. **Daily outlook neutral to mildly bullish.**
- **Weekly outlook neutral and monthly outlook bearish.**
- **We are neutral to mildly bullish EUR today** as the overall USD traded slightly weak thanks to improving risk appetite due to receding Brexit fears and better trade optimism. **We remain bearish EUR over the medium term** as the shared currency is expected to weaken once the ECB restarts its Asset Purchase Program in November.
- **Key resistances:** 1.1125 (R1), 1.1150 (R2), 1.1175 (R3)
- **Key supports:** 1.1075 (S1), 1.1050 (S2), 1.1025 (S3)
- **Expected range for the day:** 1.1080-1.1130

Indicative EURMYR 4.6430



Source: Bloomberg

- EURMYR opened 0.16% lower at 4.6440 today. **Daily outlook neutral.**
- **Weekly outlook neutral and monthly outlook bearish.**
- **We remain neutral on the pair today** as both components are conflicting due to mild USD weakness ahead of the all-important FOMC. **In the medium term, we remain bearish EUR over the medium term** as the shared currency is expected to weaken once the ECB restarts its Asset Purchase Program in November.
- **Key resistances:** 4.6500 (R1) 4.6600 (R1), 4.6700 (R3)
- **Key supports:** 4.6300 (S1), 4.6200 (S2), 4.6100 (S3)
- **Expected range for the day:** 4.6300– 4.6500

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

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