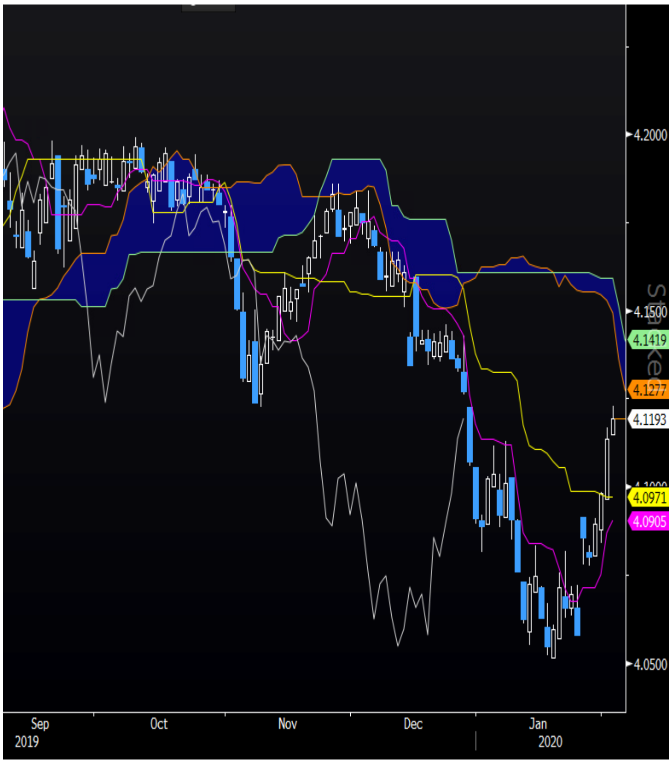
February 4, 2020

Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

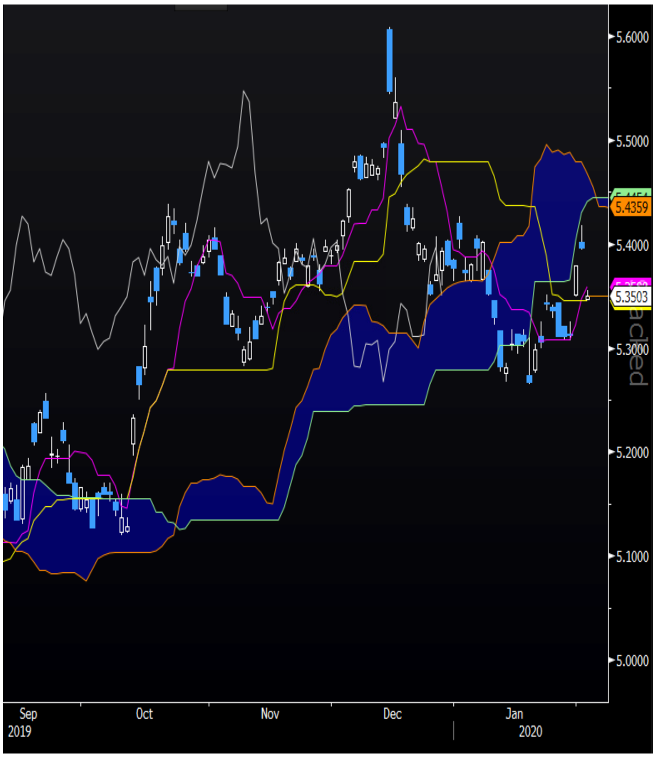
Indicative USDMYR 4.1193



Source: Bloomberg

- USDMYR opened little changed at 4.1150 today. **Daily outlook bullish.**
- **Weekly and monthly outlook bullish.**
- **USDMYR outlook remains bullish in the short term**, taking cue from dollar's overnight strength and given that persistent virus concerns will only serve to benefit dollar and drag down overall emerging market currrencies, meaning that a breach above 4.1200 is possible today. USDMYR medium term outlook is bullish, supported by relatively solid US data and a market that is turning risk-off.
- **Key resistances:** 4.1300 (S1), 4.1350 (S2), 4.1400 (S3)
- **Key supports:** 4.1100 (R1), 4.1000 (R2), 4.0950 (R3)
- **Expected range for the day:** 4.1100 – 4.1250

Indicative GBPMYR 5.3503

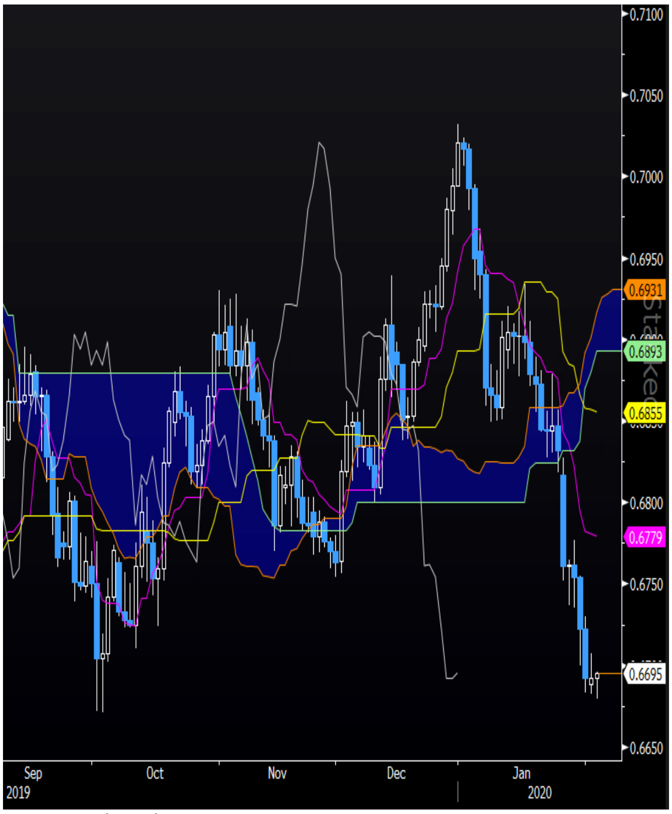


Source: Bloomberg

- GBPMYR opened 0.93% lower at 5.3465 today. **Daily outlook bearish.**
- **Weekly outlook and monthly outlook neutral.**
- **GBPMYR is expected to end lower today** thanks to sharply lower opening but is likely to trade within a tight range as both GBP and MYR outlook turn weaker in the short term amidst stronger USD, unless there is any major (positive) surprise on the UK-EU trade front. **Medium term outlook is neutral** for now given the uncertainties over US-EU trading relationship and likelihood that the BOE will hold rate for the rest of the year.
- **Key resistances**: 5.3800 (R1), 5.4000 (R2), 5.4200 (R3)
- **Key supports**: 5.3250 (S1), 5.3000 (S2), 5.2800 (S3)
- **Expected range for the day:** 5.3350- 5.3750

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

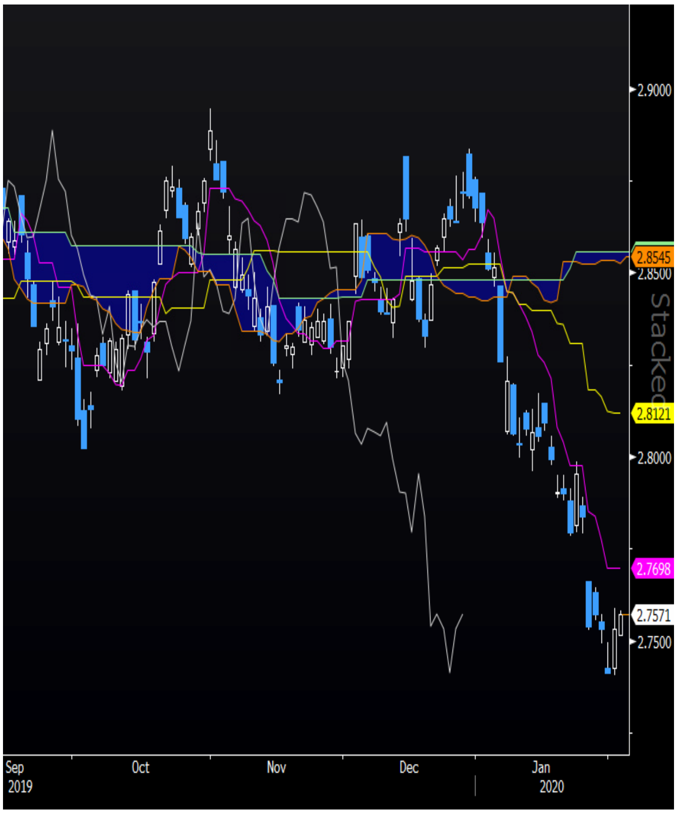
Indicative AUDUSD 0.6695



Source: Bloomberg

- AUDUSD opened unchanged at 0.6692 today. **Daily outlook driven by RBA decision.**
- **Weekly outlook driven by RBA decision and monthly outlook bearish.**
- AUDUSD is expected to move very little this morning ahead of 11.30am RBA cash rate decision**. Daily outlook is completely driven by RBA's decision -** markets are looking at a hold and is anticipating its rate guidance**. We look towards the RBA's statement to gauge the pair's medium term outlook**.
- **Key resistances:** 0.6700 (R1), 0.6720 (R2), 0.6735 (R3)
- **Key supports:** 0.6680 (S1), 0.6670 (S2), 0.6650 (S3)
- **Expected range for the day:** 0.6660 - 0.6725

Indicative AUDMYR 2.7571

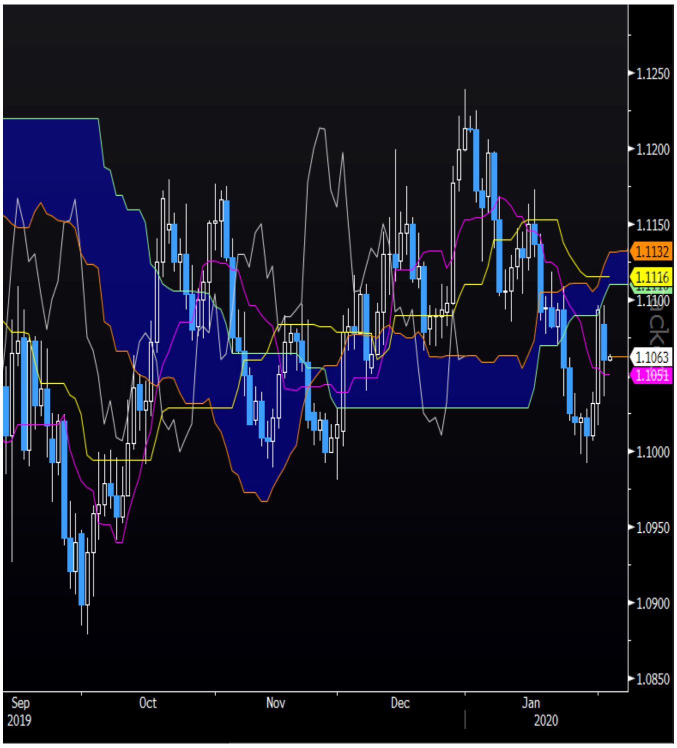


Source: Bloomberg

- AUDMYR opened little changed at 2.7517 today. **Daily outlook driven by RBA decision.**
- **Weekly outlook neutral and monthly outlook bearish.**
- AUDMYR is barely moving ahead of RBA cash rate decision. **Daily outlook is completely driven by RBA's decision -** markets are looking at a hold and is anticipating its rate guidance**. We look towards the RBA's policy statement next week to gauge the pair's medium term outlook.**
- **Key resistances:** 2.7600 (R1), 2.7650 (R2), 2.7700 (R3)
- **Key supports:** 2.7400 (S1), 2.7350 (S2), 2.7300 (S3)
- **Expected range for the day:** 2.7400– 2.7650

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

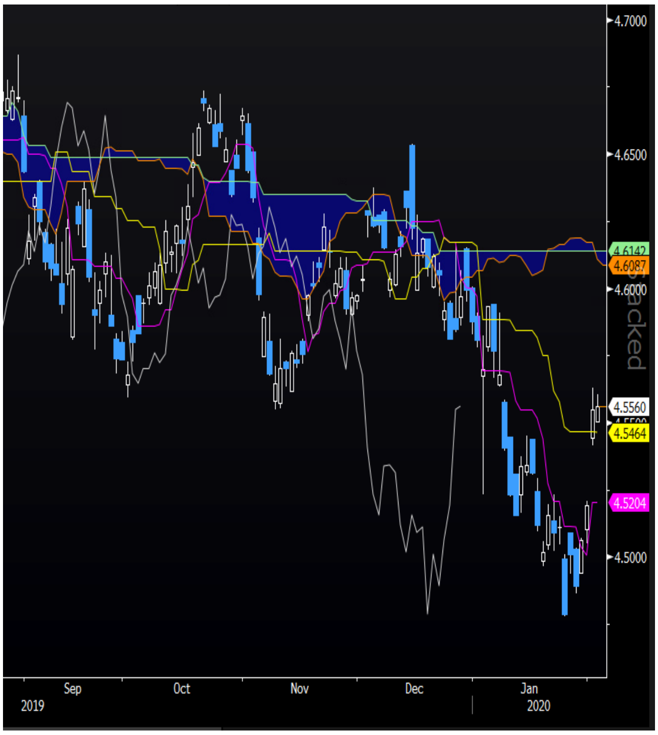
Indicative EURUSD 1.1063



Source: Bloomberg

- EURUSD opened unchanged at 1.1060 today. **Daily outlook neutral.**
- **Weekly and monthly outlook bearish.**
- **Daily outlook is neutral for now** as the pair lost momentum after US ISM data surprised on the upside and is likely to consolidate around 1.1050-70 in the short term. **Medium term outlook for EUR remains bearish** over Eurozone's weaker growth outlook as confirmed by latest 4Q GDP growth and poor PMI data.
- **Key resistances:** 1.1080 (R1), 1.1100 (R2), 1.1120 (R3)
- **Key supports:** 1.1050 (S1), 1.1030 (S2), 1.1015 (S3)
- **Expected range for the day:** 1.1050- 1.1070

Indicative EURMYR 4.5560



Source: Bloomberg

- EURMYR opened little changed at 4.5505 today. **Daily outlook neutral.**
- **Weekly outlook neutral and monthly outlook bearish.**
- **EURMYR is neutral today over the lack of short-term driver for the** cross. **Medium term outlook for EUR remains bearish** over Eurozone's weaker growth outlook as confirmed by latest 4Q GDP growth and poor PMI data.
- **Key resistances:** 4.5700 (R1), 4.5850 (R2) 4.5940 (R3)
- **Key supports:** 4.5464 (S1), 4.5300 (S2), 4.5200 (S3)
- **Expected range for the day:** 4.5464- 4.5656

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

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