

Global Markets Research
FX Strategy

Daily Currency Outlook – 11am edition

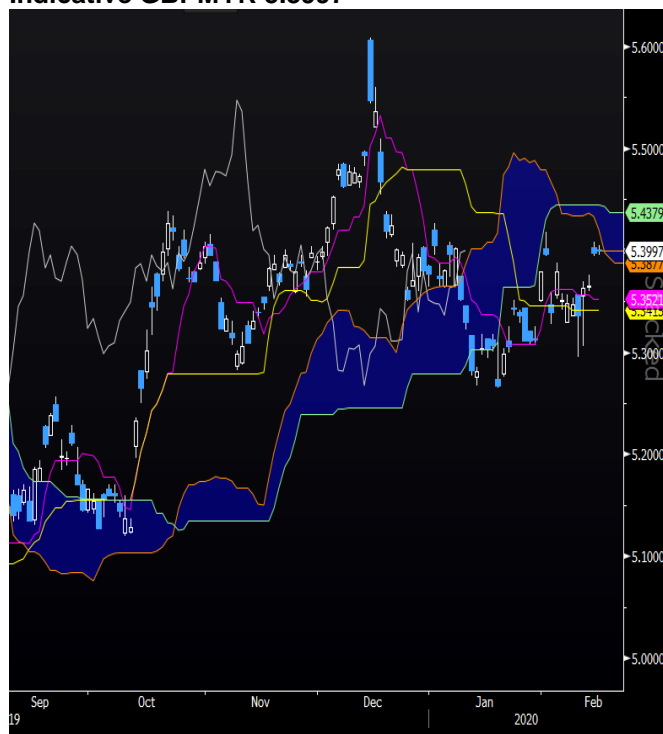
Indicative USDMYR 4.1383



Source: Bloomberg

- USDMYR opened slightly higher at 4.1425 today. **Daily outlook is bullish.**
- **Weekly and monthly outlook bullish.**
- **USDMYR remains bullish in our view**, more so if there is a dovish tilt from FOMC minutes following Fed Chair recent testimony to the Congress on readiness to act, but receding positive momentum indicators suggests the pair could consolidate in the 4.1350-4.1500 ranges, before testing 4.1500 again. Any negative headlines, hence USD strength, could easily push it pass 4.1500, targeting 4.1650 next. **Medium term USDMYR outlook is bullish** due to uncertainties surrounding the Covid-19 outbreak as well as firmer USD outlook thanks to the US' solid fundamentals compared to the weaker domestic growth outlook that is likely to prompt another rate cut by BNM.
- **Key resistances:** 4.1500 (S1), 4.1600 (S2), 4.1700 (S3)
- **Key supports:** 4.1350 (R1), 4.1300 (R2), 4.1200 (R3)
- **Expected range for the day:** 4.1350 -4.1450

Indicative GBPMYR 5.3997

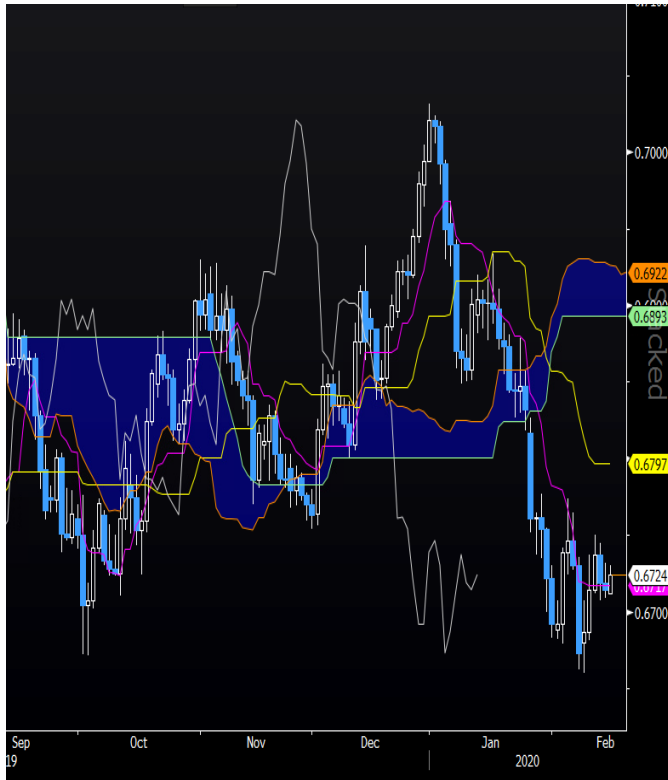


Source: Bloomberg

- GBPMYR opened little changed at 5.4007 today. **Daily outlook is neutral.**
- **Weekly outlook neutral and monthly outlook slightly bullish.**
- **GBPMYR daily outlook remains neutral** in a quiet market today with CPI, retail sales and PMI data being the main focus for the sterling this week. **Medium term outlook is slightly bullish** as the new Chancellor of Exchequer is believed to be supportive of fiscal stimulus, taking pressure off the BOE to cut rate while we have reasons to believe that UK data is turning slightly firmer post Brexit. Nonetheless, downside risk remains a potential fallout in UK-EU trade **negotiation** and uncertainties surrounding the Covid-19 virus outbreak.
- **Key resistances:** 5.4200 (R1), 5.4400 (R2), 5.4600 (R3)
- **Key supports:** 5.3850 (S1), 5.3520 (S2), 5.3100 (S3)
- **Expected range for the day:** 5.3850- 5.4200

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

Indicative AUDUSD 0.6724



Source: Bloomberg

- AUDUSD opened almost unchanged at 0.6712. **Daily outlook is neutral.**
- **Weekly outlook neutral and monthly outlook slightly bullish.**
- **Daily outlook is neutral as AUDUSD's attempt to recover will likely fail** in the short term as market continues to grapple with higher number of reported virus cases this morning. RBA minutes and employment data are the focus this week. **Medium term outlook is bearish** on grimmer Australian growth outlook given the uncertain impact the virus could have on its domestic economy and external trade.
- **Key resistances:** 0.6750 (R1), 0.6780 (R2), 0.6800 (R3)
- **Key supports:** 0.6700 (S1), 0.6680 (S2), 0.6660 (S3)
- **Expected range for the day:** 0.6710- 0.6740

Indicative AUDMYR 2.7821



Source: Bloomberg

- AUDMYR opened little changed at 2.7824 today. **Daily outlook is neutral.**
- **Weekly and monthly outlook neutral.**
- **Similarly, AUDMYR cross is expected to continue trading within a tight range today** amid a lack of driver on a quiet Monday. **Medium term outlook is neutral for now** over poorer domestic growth outlook of both countries compared to a firmer US growth /USD outlook.
- **Key resistances:** 2.7900 (R1), 2.8000 (R2), 2.8120 (R3)
- **Key supports:** 2.7750 (S1), 2.7668 (S2), 2.7500 (S3)
- **Expected range for the day:** 2.7750- 2.7900

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

Indicative EURUSD 1.0837



Source: Bloomberg

- EURUSD opened little changed at 1.0834 today. **Daily outlook is bearish.**
- **Weekly outlook bearish and monthly outlook bearish.**
- **We remain bearish on EURUSD** as the pair's outlook remains weak particularly if economic data remain unsupportive. GDP, CPI and PMI data are in focus this week. A test of 1.0800 psychological support seems likely at this stage, with technical support at 1.0737. **Medium term outlook is bearish** as markets continue to grapple with poorer Eurozone growth outlook.
- **Key resistances:** 1.0850 (R1), 1.0870 (R2), 1.0900 (R3)
- **Key supports:** 1.0825 (S1), 1.0815 (S2), 1.0800 (S3)
- **Expected range for the day:** 1.0810-1.0850

Indicative EURMYR 4.4830



Source: Bloomberg

- EURMYR opened little changed at 4.4860. **Daily outlook is neutral.**
- **Weekly outlook neutral and monthly outlook neutral.**
- **EURMYR cross is neutral today** with both currencies remaining weak against the stronger USD. **Medium term outlook is neutral** as both EUR and MYR look likely to weaken against a firmer USD on the back of poorer domestic growth outlook.
- **Key resistances:** 4.5000 (R1), 4.5100 (R2) 4.5175 (R3)
- **Key supports:** 4.4800 (S1), 4.4700 (S2), 4.4600 (S3)
- **Expected range for the day:** 4.4800- 4.5000

* 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**DISCLAIMER**

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter. HLBB may, to the extent permitted by law, buy, sell or hold significantly long or short positions; act as investment and/or commercial bankers; be represented on the board of the issuers; and/or engage in 'market making' of securities mentioned herein. The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favorable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.