

Global Markets Research
FX Strategy

Daily Currency Outlook – 11am edition

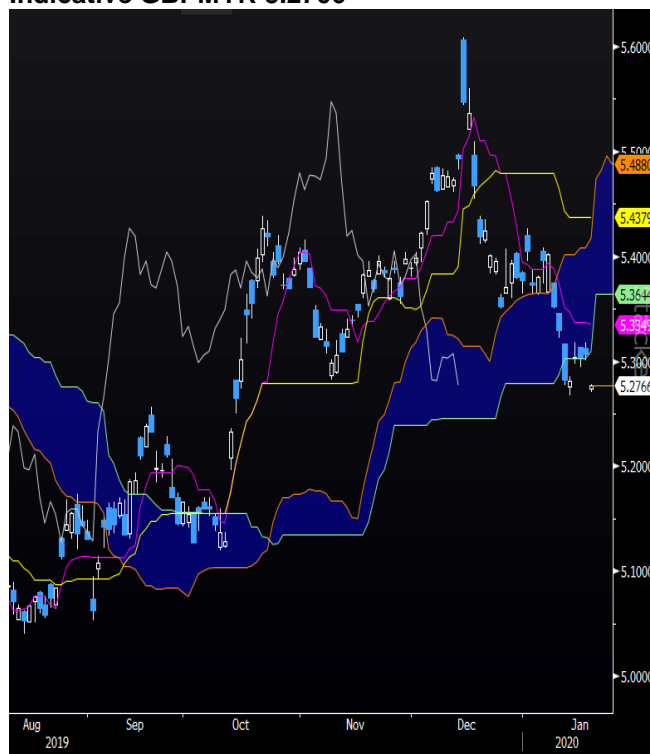
Indicative USDMYR 4.0575



Source: Bloomberg

- USDMYR opened little changed at 4.0515 today. **Daily outlook bullish.**
- **Weekly outlook and monthly outlook bullish.**
- **USDMYR outlook is expected to turn bullish this week** on upbeat US data and the recent down move appears stretched and the pair has been flirting with the oversold threshold. However, we suspect upside in USDMYR could be limited by a still soft USD. CPI and BNM policy decision this week are also expected to keep MYR markets in cautious mood, unless there are any surprises. We hence look towards a test at the 4.07-4.08 ranges again, with support at 4.053. **MYR medium term outlook is still bearish**, expecting the USD to be well supported by solid data in 1Q20.
- **Key resistances:** 4.0600 (S1), 4.0700 (S2), 4.0800 (S3)
- **Key supports:** 4.0530 (R1), 4.0500 (R2), 4.0450 (R3)
- **Expected range for the day:** 4.0515- 4.0700

Indicative GBPMYR 5.2766

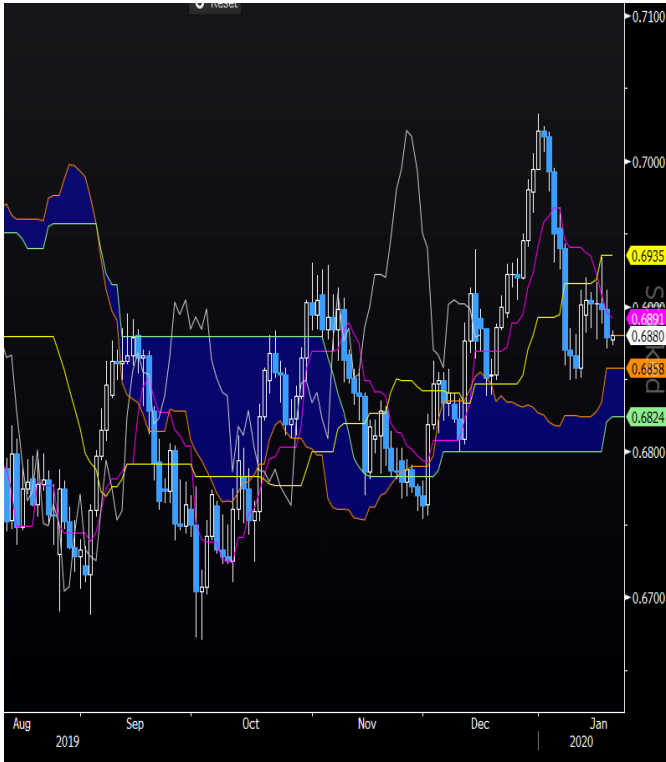


Source: Bloomberg

- GBPMYR opened 0.62% lower at 5.2735 today. **Daily outlook bearish.**
- **Weekly and monthly outlook bearish.**
- **GBPMYR daily outlook is bearish on lower opening** with GBPUSD seen under pressure around 1.3000 handle as of writing. Expectation of a BOE rate cut at the end of this month has now firmed up after Friday's disappointing retail sales joined a trove of recently weak UK data that suggest the economy heading into 2020 on a poor note. Markets are likely to remain watchful of this week's job report and Brexit progress ahead of the end-January timeline. **Medium term outlook hinges on BOE's policy stance** that would either suggest a hold or a further cut and more details on Brexit transition.
- **Key resistances:** 5.3000 (R1), 5.3230 (R2), 5.3350 (R3)
- **Key supports:** 5.2670 (S1), 5.2500 (S2), 5.2150 (S3)
- **Expected range for the day:** 5.2600 – 5.2950

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

Indicative AUDUSD 0.6880



Source: Bloomberg

- AUDUSD opened virtually unchanged at 0.6877 today. **Daily outlook neutral.**
- **Weekly outlook neutral and monthly outlook bearish.**
- AUD has continued to underperform as the Australian bushfires and the prospect of an RBA rate cut reined in the upsides to AUDUSD, **thus reaffirming expectations of further sideways movements that is likely to keep the pair within a range of 0.6850-0.6950**, but watch out for this week's job data. **Medium term outlook is bearish** on increasing prospect of an RBA rate cut in early February.
- **Key resistances:** 0.6890 (R1), 0.6900 (R2), 0.6925 (R3)
- **Key supports:** 0.6865 (S1), 0.6850 (S2), 0.6830 (S3)
- **Expected range for the day:** 0.6860 – 0.6890

Indicative AUDMYR 2.7917



Source: Bloomberg

- AUDMYR opened 0.32% lower at 2.7902 today. **Daily outlook bearish.**
- **Weekly outlook neutral and monthly outlook bearish.**
- **AUDMYR remains bearish today** on lower opening and the expectation of an RBA rate cut and concerns over bushfires continued to weigh. **Medium term outlook is bearish** on increasing prospect of an RBA rate cut in early February.
- **Key resistances:** 2.8000 (R1), 2.8080 (R2), 2.8150 (R3)
- **Key supports:** 2.7880 (S1), 2.7850 (S2), 2.7800 (S3)
- **Expected range for the day:** 2.7850– 2.8000

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Indicative EURUSD 1.1096



Source: Bloomberg

- EURUSD opened virtually unchanged at 1.1094 today. **Daily outlook neutral.**
- **Weekly outlook neutral and monthly outlook bearish.**
- The pair now needs to break back above 1.1100 for any meaningful gain in the short term **but EUR daily outlook is neutral** amidst a lack of fresh impetus ahead of Thursday's ECB meeting although markets are expecting a hold. **Medium term outlook is still bearish** as the ECB is likely to stick to its accommodative monetary policy stance and mainly over poorer growth outlook compared to the US economy.
- **Key resistances:** 1.1100 (R1), 1.1120 (R2), 1.1150 (R3)
- **Key supports:** 1.1080 (S1), 1.1065 (S2), 1.1050 (S3)
- **Expected range for the day:** 1.1080- 1.1120

Indicative EURMYR 4.5025



Source: Bloomberg

- EURMYR opened 0.29% lower at 4.4987 today. **Daily outlook bearish.**
- **Weekly and monthly outlook bearish.**
- **EURMYR cross is bearish today** on lower opening after the euro lost out to USD strength on Friday over upbeat US data. **Medium term outlook is still bearish** as the ECB is likely to stick to its accommodative monetary policy stance and mainly over poorer growth outlook compared to a stronger US economy.
- **Key resistances:** 4.5100 (R1), 4.5300 (R2) 4.5450 (R3)
- **Key supports:** 4.4950 (S1), 4.9000 (S2), 4.4850 (S3)
- **Expected range for the day:** 4.4950- 4.5100

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