

Global Markets Research
FX Strategy

Daily Currency Outlook – 11am edition

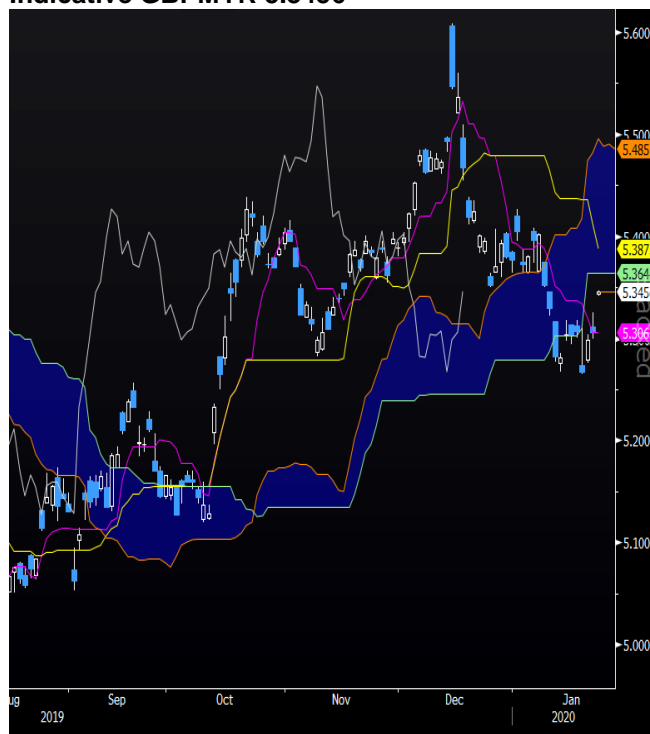
Indicative USDMYR 4.0690



Source: Bloomberg

- USDMYR opened unchanged at 4.0655 today. **Daily outlook slightly bullish.**
- **Weekly outlook neutral and monthly outlook bullish.**
- MYR shrugged off BNM’s surprise “pre-emptive cut”, finishing higher instead on Wednesday. With the dollar weakening overnight, **USDMYR daily outlook is slightly bullish** as the pair might retreat back towards 4.06 - 4.07 range before rebounding back to the 4.07-4.08 band in the short term. Chinese New Year celebration is also likely to keep MYR markets quiet. **MYR medium term outlook is still bearish**, expecting the USD to be well supported by solid data in 1Q20.
- **Key resistances:** 4.0700 (S1), 4.0800 (S2), 4.0900 (S3)
- **Key supports:** 4.0600 (R1), 4.0530 (R2), 4.0500 (R3)
- **Expected range for the day:** 4.0600- 4.0750

Indicative GBPMYR 5.3456



Source: Bloomberg

- GBPMYR opened 0.72% higher at 5.3439 today. **Daily outlook bullish.**
- **Weekly outlook bullish and monthly outlook neutral.**
- **GBPMYR cross is bullish today** on overnight GBP strength after the House of Lords approved Boris Johnson’s Brexit bill; The PM also said he was confident a deal could be achieved with the EU by year end. Focus now is on tomorrow’s UK PMI. Market’s expectation of a BOE rate cut has eased significantly now compared to the start of the week and these PMI readings are expected to provide clearer picture, whether the state of the economy really warrants a rate cut at the end of this month. **We look towards tomorrow data to gauge GBP medium term outlook.**
- **Key resistances:** 5.3620 (R1), 5.3800 (R2), 5.4000 (R3)
- **Key supports:** 5.3250 (S1), 5.3060 (S2), 5.2770 (S3)
- **Expected range for the day:** 5.3360- 5.3650

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

Indicative AUDUSD 0.6871



Source: Bloomberg

- AUDUSD opened unchanged at 0.6844 today. **Daily outlook bullish.**
- **Weekly outlook neutral and monthly outlook bearish.**
- **AUD daily outlook is bullish** as the pair jumped as much as 36pips in an immediate response to the upbeat Australian job and is seen trading around 0.6876 as of writing. **Medium term outlook is still bearish** over a potential RBA rate cut in early February.
- **Key resistances:** 0.6880 (R1), 0.6900 (R2), 0.6920 (R3)
- **Key supports:** 0.6860 (S1), 0.6840 (S2), 0.6725 (S3)
- **Expected range for the day:** 0.6835 – 0.6885

Indicative AUDMYR 2.7975



Source: Bloomberg

- AUDMYR opened little changed at 2.7814 today. **Daily outlook bullish.**
- **Weekly outlook neutral and monthly outlook bearish.**
- **AUDMYR cross is bullish today** as AUD strengthened substantially over upbeat Australian job report. **Medium term outlook is still bearish** over a potential RBA rate cut in early February.
- **Key resistances:** 2.8000 (R1), 2.8050 (R2), 2.8150 (R3)
- **Key supports:** 2.7880 (S1), 2.7800 (S2), 2.7760 (S3)
- **Expected range for the day:** 2.7796– 2.8000

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Indicative EURUSD 1.1089



Source: Bloomberg

- EURUSD opened unchanged at 1.1093 today. **Daily outlook neutral.**
- **Weekly outlook neutral and monthly outlook bearish.**
- **EURUSD is still likely to range-trades** below 1.1100 today amidst a lack of fresh impetus ahead of today's ECB meeting. **Medium term outlook is still bearish** as the ECB is likely sticking 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- 1.1100

Indicative EURMYR 4.5104



Source: Bloomberg

- EURMYR opened little changed at 4.5111 today. **Daily outlook neutral.**
- **Weekly outlook bullish and monthly outlook bearish.**
- **EURMYR cross is neutral today**, expecting little movement ahead of today's ECB meeting. **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:** 4.5200 (R1), 4.5300 (R2) 4.5450 (R3)
- **Key supports:** 4.5050 (S1), 4.5000 (S2), 4.4950 (S3)
- **Expected range for the day:** 4.5040- 4.5200

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