Global Markets Research

FX Strategy

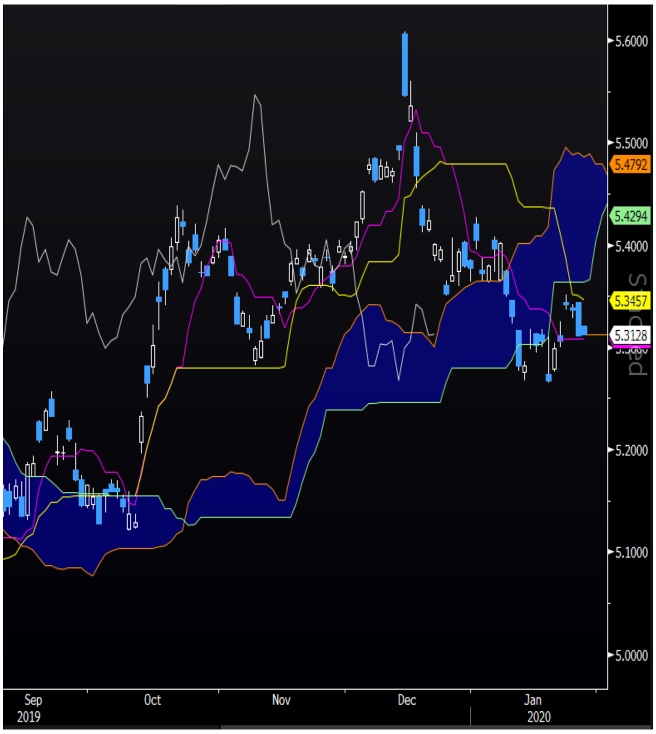
Daily Currency Outlook – 11am edition

Indicative USDMYR 4.0827

Source: Bloomberg

- USDMYR opened slightly lower at 4.0815 today. **Daily outlook slightly bearish.**
- **Weekly outlook neutral and monthly outlook bullish.**
- **We expect USDMYR to give up some gains today** as MYR recovers alongside stronger off shore yuan after risk-off sentiment eased overnight. However the movement is likely to be limited with the trading around range of 4.0750 - 4.0850 ahead of FOMC meeting today. MYR medium term outlook is still bearish, expecting the USD to be well supported by solid data in 1Q20.
- **Key resistances:** 4.0850 (S1), 4.0900 (S2), 4.1000 (S3)
- **Key supports:** 4.0750 (R1), 4.0700 (R2), 4.0650 (R3)
- **Expected range for the day:** 4.0750 -4.0850

Indicative GBPMYR 5.3128



Source: Bloomberg

- GBPMYR opened 0.17% higher at 5.3208 today. **Daily outlook neutral.**
- **Weekly outlook neutral and monthly outlook pending BOE and Brexit development.**
- **GBPMYR outlook is neutral today** expecting limited movement in the pair ahead of BOE meeting due tomorrow and markets to remain watchful of Brexit progress. 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**: 5.3400 (R1), 5.3700 (R2), 5.4000 (R3)
- **Key supports**: 5.3000 (S1), 5.2800 (S2), 5.2485 (S3)
- **Expected range for the day:** 5.3000- 5.3325

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

Indicative AUDUSD 0.6766

Source: Bloomberg

- AUDUSD opened unchanged at 0.6762 today. **Daily outlook slightly bullish.**
- **Weekly and monthly outlook bearish.**
- **AUD is likely to stay below 0.6800 in the short term** as markets remained cautious and concerned over the Coronavirus outbreak although slightly oversold position could bounce it up again briefly before pushing it down again towards 0.6750-0.6770 levels. The pair could also benefit today from better than expected headline 4Q CPI. **We look towards the RBA's policy statement next week to gauge the pair's medium term outlook.**
- **Key resistances:** 0.6780 (R1), 0.6800 (R2), 0.6824 (R3)
- **Key supports:** 0.6750 (S1), 0.6737 (S2), 0.6725 (S3)
- **Expected range for the day:** 0.6755 – 0.6780

Indicative AUDMYR 2.7610

Source: Bloomberg

- AUDMYR opened 0.34% higher at 2.7632 today. **Daily outlook slightly bullish.**
- **Weekly outlook neutral and monthly outlook bearish.**
- **AUDMYR cross is slightly bullish today** as AUD regained some ground amidst an oversold position and is benefitting from better headline CPI reading. **We look towards the RBA's policy statement next week to gauge the pair's medium term outlook.**
- **Key resistances:** 2.7710 (R1), 2.7780 (R2), 2.7836 (R3)
- **Key supports:** 2.7550 (S1), 2.7500 (S2), 2.7450 (S3)
- **Expected range for the day:** 2.7578– 2.7700

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Indicative EURUSD 1.1017

Source: Bloomberg

- EURUSD opened unchanged at 1.1022 today. **Daily outlook neutral.**
- **Weekly outlook neutral and monthly outlook bearish.**
- **EURUSD is expected to trade within a tight range of** 1.1010-1.1030 ahead of FOMC meeting, with no key data releases today. **Medium term outlook is still bearish** on weaker growth outlook even though the ECB appeared to show no urgency in changing its current monetary policy stance.
- **Key resistances:** 1.1030 (R1), 1.1050 (R2), 1.1070 (R3)
- **Key supports:** 1.1010 (S1), 1.1000 (S2), 1.0980 (S3)
- **Expected range for the day:** 1.1010- 1.1030

Indicative EURMYR 4.4966

Source: Bloomberg

- EURMYR opened barely changed at 4.5030 today. **Daily outlook neutral.**
- **Weekly outlook neutral and monthly outlook bearish.**
- **EURMYR cross is neutral today** in a likely muted session ahead of FOMC meeting. **Medium term outlook is still bearish** on weaker growth outlook even though the ECB appeared to show no urgency in changing its current monetary policy stance.
- **Key resistances:** 4.5110 (R1), 4.5154 (R2) 4.5226 (R3)
- **Key supports:** 4.4900 (S1), 4.4850 (S2), 4.4780 (S3)
- **Expected range for the day:** 4.4938- 4.5100

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