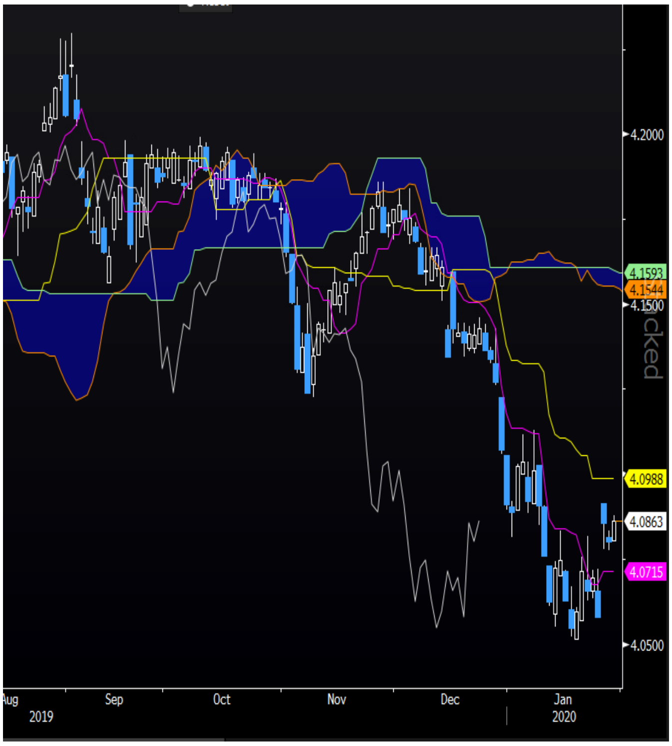
Global Markets Research

FX Strategy

Daily Currency Outlook – 11am edition

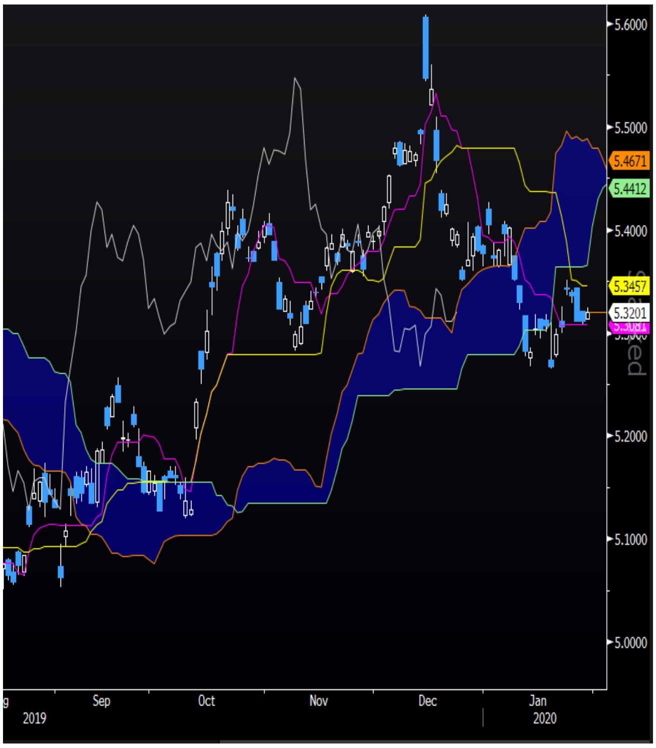
Indicative USDMYR 4.0863



Source: Bloomberg

- USDMYR opened little changed at 4.0805 today. **Daily outlook slightly bullish.**
- **Weekly and monthly outlook bullish.**
- **We expect USDMYR to trend slightly higher today** mainly on overnight dollar strength but the gain is likely limited thus keeping the pair around the 4.0800-4.0950 range in the short term. **MYR medium term outlook is still bearish**, expecting the USD to be well supported by solid data in 1Q20.
- **Key resistances:** 4.0900 (S1), 4.0950 (S2), 4.1000 (S3)
- **Key supports:** 4.0800 (R1), 4.0700 (R2), 4.0650 (R3)
- **Expected range for the day:** 4.0800- 4.0950

Indicative GBPMYR 5.3201

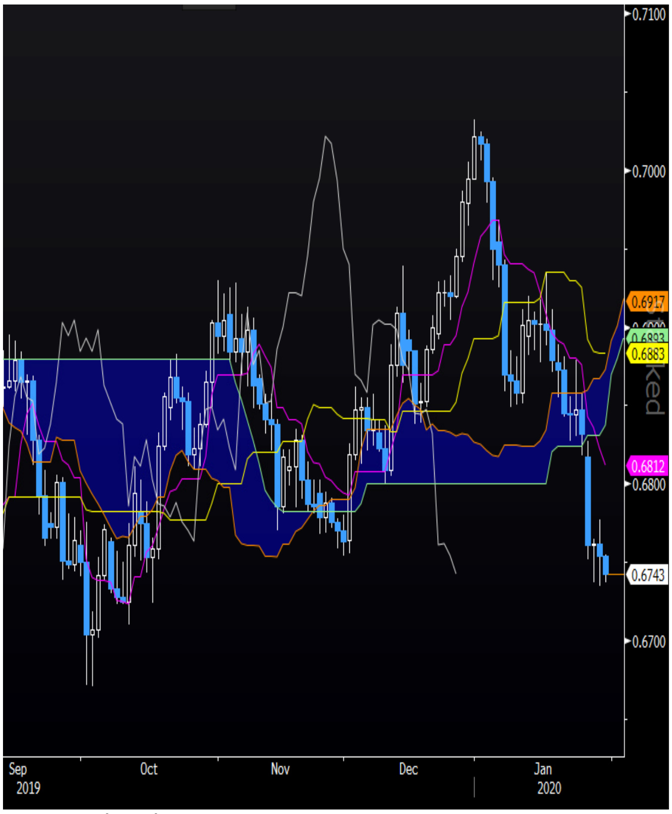


Source: Bloomberg

- GBPMYR opened little changed at 5.3131 today. **Daily outlook neutral.**
- **Weekly outlook neutral and monthly outlook pending BOE and Brexit development.**
- **GBPUSD outlook remains neutral today** ahead of today's BOE rate announcement as markets are mixed over the central bank's potential decision. Markets have pared down their earlier expectations of a rate cut with money market now pricing in a 45.5% chance of a 25bps reduction in Bank Rate. Majority of economists surveyed by Bloomberg also expect the central bank to keep its benchmark rate steady at 0.75%. We look towards BOE's policy stance to gauge **GBP's medium term outlook**
- **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 0.6743



Source: Bloomberg

- AUDUSD opened unchanged at 0.6754 today. **Daily outlook bearish.**

- **Weekly and monthly outlook bearish.**

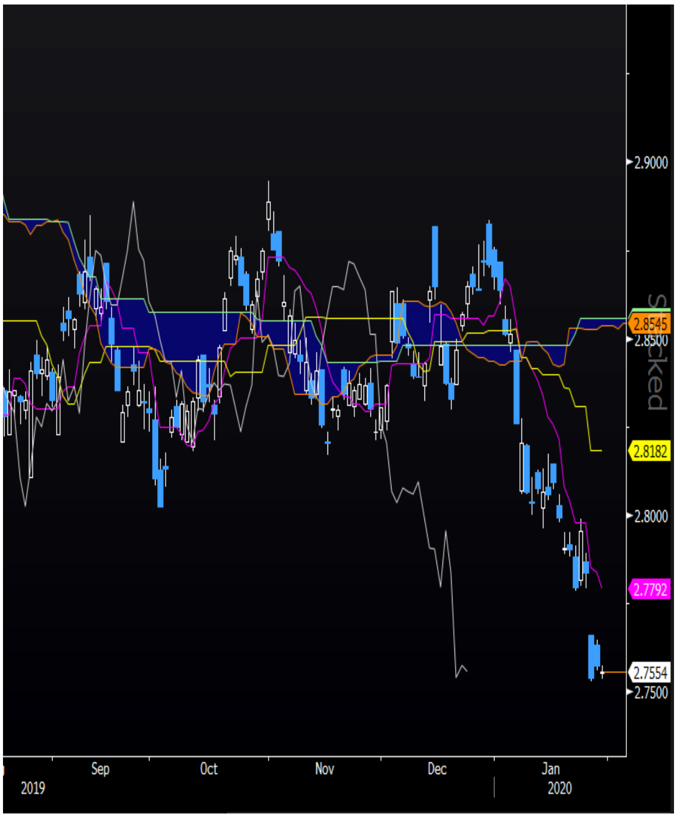
- **AUD remains oversold** but risk aversion is likely keeping the pair below 0.6800 in the short term as markets are watchful of the Coronavirus outbreak. **We look towards the RBA's policy statement next week to gauge the pair's medium term outlook**.

- **Key resistances:** 0.6765 (R1), 0.6780 (R2), 0.6800 (R3)

- **Key supports:** 0.6735 (S1), 0.6710 (S2), 0.6680 (S3)

- **Expected range for the day:** 0.6725 - 0.6765

Indicative AUDMYR 2.7554



Source: Bloomberg

- AUDMYR opened little changed at 2.7552 today. **Daily outlook neutral.**

- **Weekly outlook neutral and monthly outlook bearish.**

- **AUDMYR is neutral today**, expecting little movement in the cross as both AUD and MYR are trading on a weaker note against the greenback in a risk-averse environment. **We look towards the RBA's policy statement next week to gauge the pair's medium term outlook.**

- **Key resistances:** 2.7660 (R1), 2.7725 (R2), 2.7780 (R3)

- **Key supports:** 2.7550 (S1), 2.7500 (S2), 2.7450 (S3)

- **Expected range for the day:** 2.7500– 2.7615

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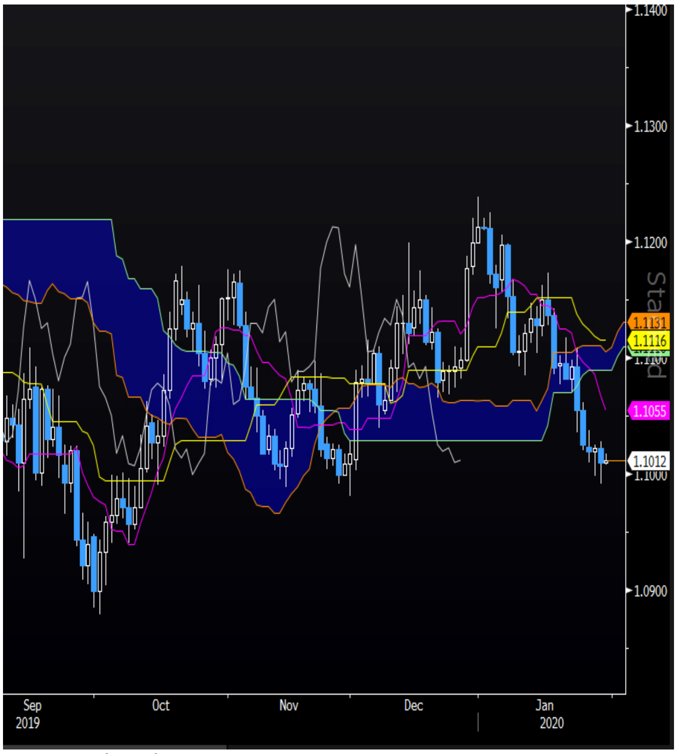
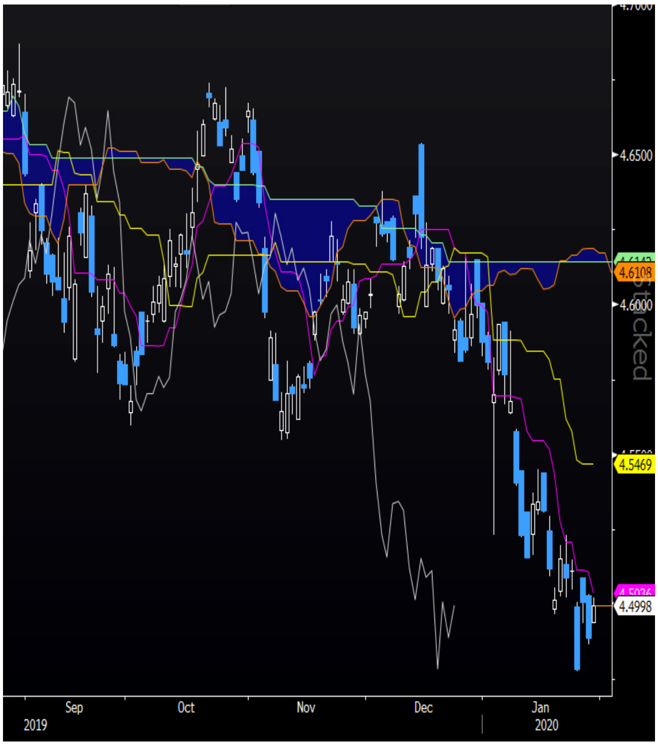
Indicative EURUSD 1.1012



Source: Bloomberg

- EURUSD opened unchanged at 1.1010 today. **Daily outlook neutral.**
- **Weekly outlook neutral and monthly outlook bearish.**
- **EURUSD is expected to trade within a neutral range of 1.1000-1.1030** ahead of BOE rate decision as well as the first US GDP reading for 4Q19 tonight**. 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:** 1.1000- 1.1030

Indicative EURMYR 4.4998



Source: Bloomberg

- EURMYR opened slightly higher at 4.4940 today. **Daily outlook slightly bullish.**
- **Weekly outlook neutral and monthly outlook bearish.**
- **EURMYR cross is slightly bullish today** on weaker MYR in a risk-averse market**. 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:** 4.5036 (R1), 4.5100 (R2) 4.5200 (R3)
- **Key supports:** 4.4880 (S1), 4.4780 (S2), 4.4700 (S3)
- **Expected range for the day:** 4.4900- 4.5080

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