Global Markets Research

FX Strategy

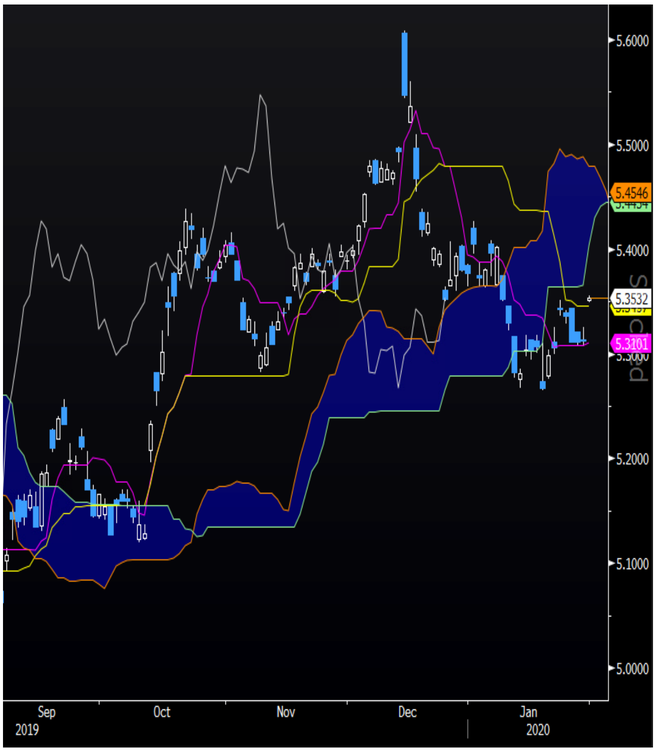
Daily Currency Outlook – 11am edition

Indicative USDMYR 4.0875

Source: Bloomberg

- USDMYR opened little changed at 4.0880 today. **Daily outlook slightly bullish.**
- **Weekly and monthly outlook bullish.**
- **We expect USD to remain strong** as markets remained watchful of the development of the outbreak that is likely to continue feeding the lingering risk-off sentiment, leading the pair to potentially test 4.0900-4.1000 range ahead of the weekend. **MYR medium term outlook is still bearish**, expecting the USD to be well supported by relatively 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- 4.1000

Indicative GBPMYR 5.3532



Source: Bloomberg

- GBPMYR opened 0.72% higher at 5.3511 today. **Daily outlook bullish.**
- **Weekly outlook bullish and monthly outlook neutral.**
- **GBPMYR outlook is bullish today** as the pair opened significantly higher this morning after the pound surged overnight in response to BOE's no change in interest rate decision. **Medium term outlook is neutral** taking into account Britain's Brexit transition and likelihood that BOE will hold rate for the rest of the year.
- **Key resistances**: 5.3650 (R1), 5.4000 (R2), 5.4200 (R3)
- **Key supports**: 5.3300 (S1), 5.3100 (S2), 5.2800 (S3)
- **Expected range for the day:** 5.3480- 5.3650

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

Indicative AUDUSD 0.6713

Source: Bloomberg

- AUDUSD opened unchanged at 0.6722 today. **Daily outlook bearish.**
- **Weekly and monthly outlook bearish.**
- **AUD daily outlook is bearish;** while an **oversold RSI condition foretells a potential rebound back above 0.6750-0.6800**, lingering risk aversion is likely to pressure AUDUSD further to below 0.6700 with the pair barely reacting to a mixed China official PMI readings this morning. **We look towards the RBA's policy statement next week to gauge the pair's medium term outlook.**
- **Key resistances:** 0.6735 (R1), 0.6750 (R2), 0.6765 (R3)
- **Key supports:** 0.6705 (S1), 0.6700 (S2), 0.6680 (S3)
- **Expected range for the day:** 0.6710 - 0.6730

Indicative AUDMYR 2.7448

Source: Bloomberg

- AUDMYR opened 0.38% lower at 2.7427 today. **Daily outlook bearish.**
- **Weekly outlook neutral and monthly outlook bearish.**
- **AUDMYR is bearish today**, dragged down by lower opening this morning as AUD weakness outpaced that of MYR in a risk-off environment. **We look towards the RBA's policy statement next week to gauge the pair's medium term outlook.**
- **Key resistances:** 2.7500 (R1), 2.7600 (R2), 2.7700 (R3)
- **Key supports:** 2.7400 (S1), 2.7350 (S2), 2.7300 (S3)
- **Expected range for the day:** 2.7400– 2.7500

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Indicative EURUSD 1.1029

Source: Bloomberg

- EURUSD opened unchanged at 1.1032 today. **Daily outlook bullish.**
- **Weekly outlook neutral and monthly outlook bearish.**
- **Technical outlook is bullish** as it tests 1.1030 of which a break above would pave way to 1.1050 but gains are capped by markets' anticipation of today Eurozone's 4Q GDP reading**. Medium term outlook is still bearish** on weaker growth outlook versus a stronger USD that was supported by more solid fundamentals.
- **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- 1.1040

Indicative EURMYR 4.5084

Source: Bloomberg

- EURMYR opened little changed at 4.5104 today. **Daily outlook bullish.**
- **Weekly outlook neutral and monthly outlook bearish.**

  EURMYR cross is slightly bullish today over stronger euro overnight while MYR likely remained pressured in a risk-averse environment. **Medium term outlook is still bearish** on weaker Eurozone growth outlook versus a stronger USD that was supported by more solid fundamentals
- **Key resistances:** 4.5150 (R1), 4.5237 (R2) 4.5300 (R3)
- **Key supports:** 4.5005 (S1), 4.4880 (S2), 4.4780 (S3)
- **Expected range for the day:** 4.5050- 4.5160

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