

1 June 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Bullish

USDMYR opened little changed at 4.3455 and has since then lost ground to around 4.3200 as of writing. MYR is trending stronger today but despite weakness in the USD, the uncertainty surrounding US-China tension poses a downside risk to MYR which tends to underperform alongside its emerging market peers whenever there is a potential US-China fallout. We stick to our view of a short term recovery in USD as risk appetites broadly retreated.

1-Month Outlook – MYR Bullish

We turned bearish on medium term USDMYR outlook as a current risk-on mood is supportive of a weaker USD and mainly because commodity-related currencies are likely to fare better compared to more pessimistic view a month ago. This is in line with a long held view of a slightly weaker USD throughout 2020, even as there may be some near-term USD strength. Having said that, growing US-China hostility may give rise to stronger USD and thus pose a downside risk to the local unit.

	S2	S1	Indicative	R1	R2
USD/MYR	4.3147	4.3182	4.3225	4.3242	4.3266

MYR Crosses

EUR/MYR



EUR/MYR Bearish

EURMYR opened 0.15% lower at 4.8314 and has weakened further to the low side of 4.8100 as of writing. MYR outperformed EUR even as both currencies saw solid gains against the USD this morning. The strength in MYR might not last in our view, same goes to the EUR (we do not see much sustainability above 1.1100 for EURUSD). The ECB meeting on Thursday is a key driver for EUR this week.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.7972	4.8002	4.8129	4.8219	4.8245

GBP/MYR



GBP/MYR Bullish

GBPMYR opened 0.43% higher at 5.3662 and is still trending up for the moment. In the short term we still see some near-term potential for GBP to catch up after prior underperformance. Still, we remain comparatively pessimistic regarding GBP on Covid-19 and Brexit related issues.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.3306	5.3334	5.3534	5.3562	5.3608

AUD/MYR



AUD/MYR Bullish

AUDMYR opened 0.17% higher at 2.8941 and continued to rally in response to upbeat China Markit PMI. Having said that, both AUD and MYR stand to weaken if US-China tension escalates. AUD continues to stay at elevated level, supporting the case for a correction from stretched level. Upside to the pair is the continuous recovery in the commodity market.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.8895	2.8920	2.9052	2.9093	2.9125

Source: Bloomberg, HLBB Global Markets Research

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