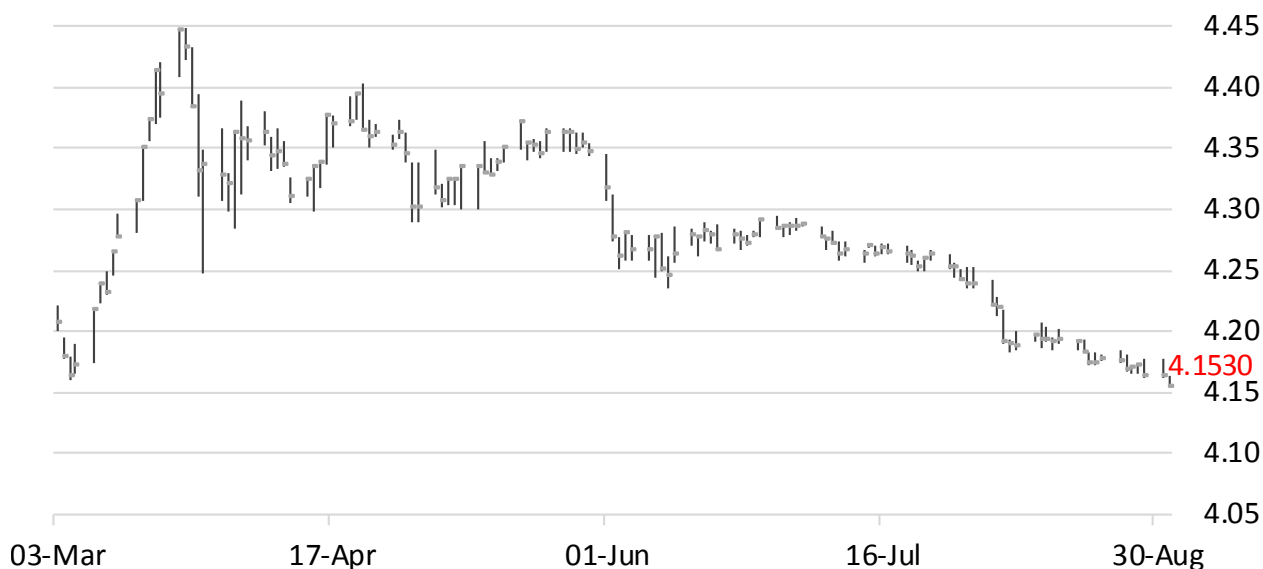


1 September 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to slightly bullish

USD/MYR opened little changed at 4.1630 but breached below 4.16 in response to weak dollar. Despite being oversold, momentum for USD appears to remain weak in the short term. We maintain one-week outlook of USD/MYR at 4.16-4.2 in anticipation of consolidation.

1-Month Outlook – MYR Neutral to slightly bearish

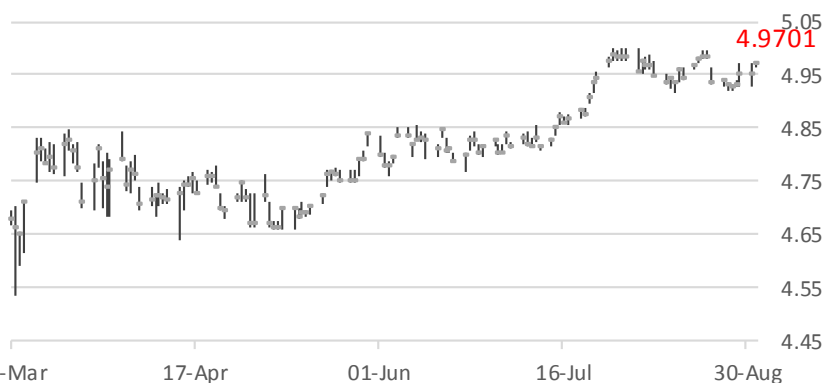
We turned slightly bearish on MYR, anticipating a rebound in the USD after staying at low levels for weeks. The DXY is stretched and is now at more-than-two-year low. There are reasons to be wary of the ongoing stock market optimism - low treasury yields and the bullish gold tells us that some manner of risk aversion remains in the market. A shift in sentiment would trigger and hasten a dollar comeback.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1400	4.1500	4.1530	4.1740	4.1915

MYR Crosses

EUR/MYR

EUR/MYR Neutral to slightly bullish



EUR/MYR opened 0.4% higher at 4.9706, catching up with recent EUR strength. The cross is largely driven by weak USD momentum which continues to push EUR higher. The absence of catalysts should keep the pair within a range of 4.95-4.98.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.9278	4.9577	4.9701	4.9850	5.0000

GBP/MYR

GBP/MYR Neutral to slightly bullish



GBP/MYR opened 0.5% higher at 5.5648, in response to recent stronger pound. Similarly, GBP/USD remains very much dollar driven in the absence of Brexit headlines/progress. There is still room for the cross to move higher amid USD weakness as it eyes the 5.57 level.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5095	5.5350	5.5609	5.5700	5.5800

AUD/MYR

AUD/MYR Neutral



AUD/MYR opened 0.7% higher at 3.0720 and has stayed circa this level since this morning ahead of RBA's decision. A retreat in risk aversion, better China PMI data and weaker dollar continued to power the AUD. The cross remains at stretched level and may consolidate; RBA's policy stance and tomorrow's GDP report are expected to offer guidance.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0000	3.0289	3.0718	3.0800	3.1000

Source: Bloomberg, HLBB Global Markets Research

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