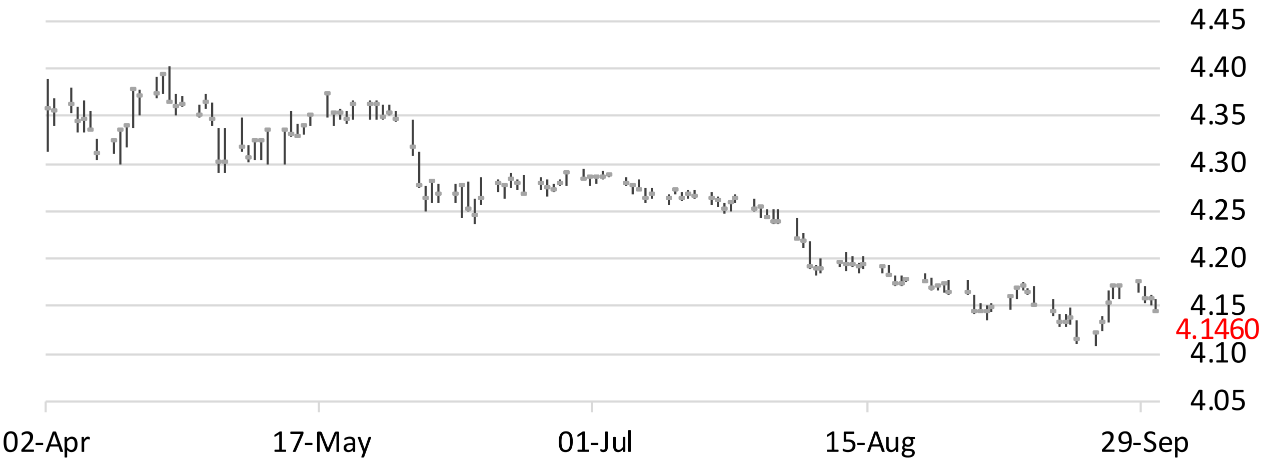
1 October 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened little changed at 4.1580 and has weakened to 4.1460 as of writing. Daily outlook is neutral, weekly outlook is neutral-to-bullish on the ground of sustained USD strength but sentiment appears to be favouring risky assets for now.

1-Month Outlook – MYR Bearish

We are still bullish on USD/MYR over a one month horizon, expecting USD strength to prevail at least until November's general election. Lacklustre recovery and especially slower job growth pose downside risk to the USD, but this is outweighed by higher possibility for a USD reversal after months of weakness as well as rising volatility ahead of the election.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1300	4.1405	4.1460	4.1800	4.2000

MYR Crosses

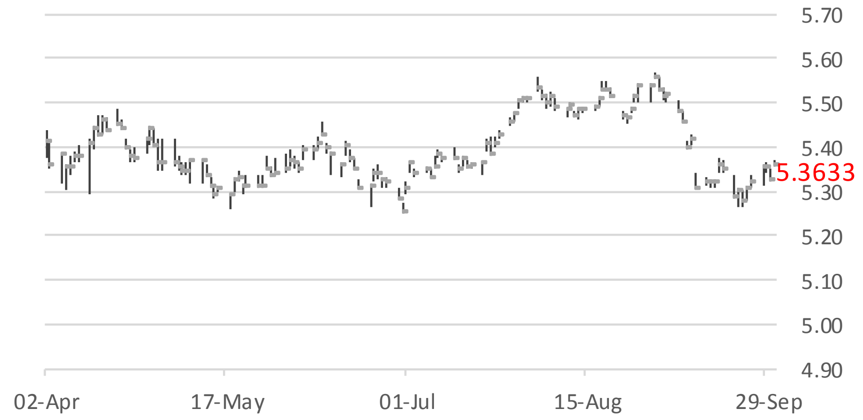
EUR/MYR

EUR/MYR Neutral

EUR/MYR opened 0.1% higher at 4.8729. Daily outlook is neutral as EUR/MYR continues to stick within the range of 4.85-4.89 amid mixed EUR performances in recent days. No change to our bearish outlook in EUR in the more medium term over more sustained USD strength.

a	S2	S1	Indicative	R1	R2
EUR/MYR	4.8350	4.8500	4.8659	4.8900	4.9054

GBP/MYR



GBP/MYR Neutral to Slightly Bullish

GBP/MYR opened 0.8% higher at 5.3689, catching up with the bullish move in GBP/USD overnight. Daily outlook is neutral to slightly bullish as GBP is riding on the short-term improvement in sentiment as dollar weakness lingers. No change to our view that GBP is bearish in the short and more medium term on the back of Brexit uncertainties and poor recovery prospect.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.3170	5.3300	5.3633	5.3700	5.3848

AUD/MYR

AUD/MYR Neutral to Bullish

AUD/MYR opened 0.7% higher at 2.9783 as risk sentiment continues to support the Aussie dollar. Daily outlook is neutral to bullish. In the more medium term, we view RBA's more optimistic recovery outlook as a factor holding up the Aussie dollar. AUD however is still susceptible to dollar strength should there be a demand for quality asset.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9270	2.9530	2.9754	2.9800	3.0000

Source: Bloomberg, HLBB Global Markets Research

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