

2 July 2020

Global Markets Research
Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to slightly bullish

USDMYR opened little changed at 4.2830 today and is seen easing from intraday high 4.2905. MYR will likely see small gains today in response to weaker greenback overnight after holding relatively stable for two days, and ahead of upcoming US NFP data tonight and Independence Day holiday in the US tomorrow. While upticks in PMI data offer comfort of global economic rebound, we reckon that sentiment remains cautious as investors monitor Covid-19 situation in major countries and rising US-China tension.

1-Month Outlook – MYR Neutral

We are turning neutral on medium term USDMYR outlook, expecting intermittent USD strength as markets would likely stay cautious and risk averse amid lingering concern over a second wave of virus outbreak. That said, there is no change to our long held view of a slightly weaker USD throughout 2020. Potential re-escalation of US-China strained ties may give rise to stronger USD and thus pose a downside risk to the local unit.

	S2	S1	Indicative	R1	R2
USD/MYR	4.2789	4.2814	4.2867	4.2910	4.2943

MYR Crosses

EUR/MYR



EUR/MYR slightly bullish

EURMYR opened 0.38% higher at 4.8222 today in response to stronger EUR overnight as USD weakened. EUR is slightly bullish, aiming to break 4.8300 as of writing; but cautious sentiment ahead of tonight's US job report could limit the pair's gain.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8079	4.8110	4.8266	4.8331	4.8362

GBP/MYR



GBP/MYR neutral

GBPMYR opened 0.64% higher at 5.3424, catching up with the gain in previous session thanks to weaker USD. The pair is trading on a muted tone since morning. The boost is unsustainable, GBP is still bearish, held down by weaker fundamentals, Brexit talks, and pandemic concerns. No progress had been announced in the current talks.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.3219	5.3246	5.3516	5.3588	5.3612

AUD/MYR



AUD/MYR slightly bullish

AUDMYR opened little changed at 2.9625 and was boosted briefly by the release of trade data before easing to 2.96 as of writing. Daily outlook is slightly bullish but markets are still weighing US-China tension and weaker USD for now. Momentum is still weakening for AUD as positive signs fade. Further consolidation is expected.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9451	2.9480	2.9650	2.9697	2.9718

Source: Bloomberg, HLBB Global Markets Research

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