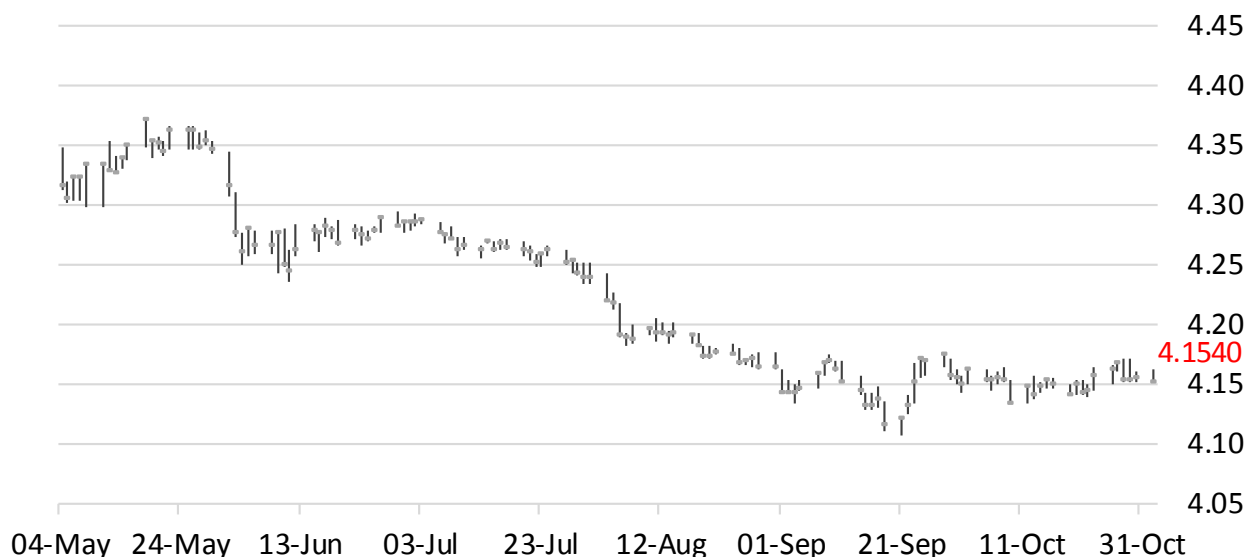


2 November 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Bearish

USD/MYR opened little changed at 4.1578. We remain slightly bullish on USD/MYR. Increasing chatters of possibility of an OPR cut this week just ahead of the national budget tabling, coupled with cautiousness surrounding the US general election are expected to keep MYR under pressure, potentially breaking the 4.17 handle.

1-Month Outlook – MYR Bearish

We are still bullish on USD/MYR over a one-month horizon, expecting USD to range trade though with volatility 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	4.1485	4.1500	4.1540	4.1700	4.1760

MYR Crosses

EUR/MYR



EUR/MYR Neutral to Bearish

EUR/MYR opened 0.3% lower at 4.8380. We are more bearish in the EUR in the short term, expecting USD to benefit from risk aversion in this busy week. The resurgence of Covid-19 virus in Europe also poses severe downside risk to the single currency in the short-to-medium term.

a	S2	S1	Indicative	R1	R2
EUR/MYR	4.8030	4.8200	4.8366	4.8440	4.8850

GBP/MYR



GBP/MYR Neutral to Bearish

GBP/MYR opened unchanged at 5.3718. The GBP is expected to remain under pressure after the government announced fresh nationwide lockdown that is expected to last for four week. Bank of England's policy decision on 5 November will likely be interesting for the GBP, particular if BOE turns more dovish.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.3500	5.3678	5.3735	5.3804	5.3948

AUD/MYR



AUD/MYR Neutral to Bearish

AUD/MYR opened 0.4% lower at 2.9122 on the back of falling oil prices and as markets turned cautious ahead of tomorrow's RBA decision. The cash rate is expected to be cut by 15bps to 0.10%. Retail sales and trade data will also be released for September this week.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9000	2.9100	2.9160	2.9344	2.9480

Source: Bloomberg, HLBB Global Markets Research

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