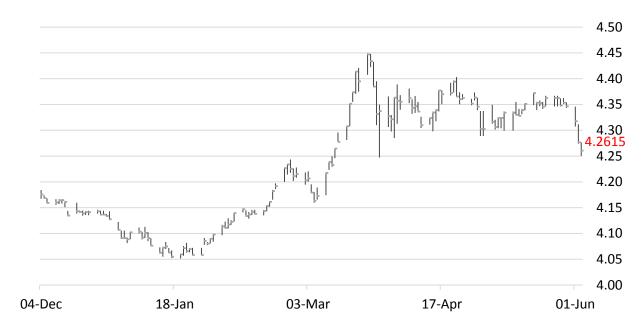


3 June 2020

# Global Markets Research

# Mid-day Currency Outlook

# **USD/MYR**



Source: Bloomberg, HLBB Global Markets Research

#### Intraday Thoughts - MYR Slightly bullish

USDMYR opened unchanged at 4.2765 and continued to weaken today after suffering 0.95% DOD loss on Tuesday amid persisting dollar weakness that was spurred by higher risk appetite. Daily outlook for USDMYR is slightly bearish but despite ongoing weakness in the USD, the uncertainty surrounding USChina tension still poses a downside risk to MYR in our view which tends to underperform alongside its emerging market peers for fear of a potential US-China fallout. This might led to a recovery in USD if 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	<b>S1</b>	Indicative	R1	R2
USD/MYR	4.2560	4.2598	4.2615	4.2735	4.2768



# **MYR Crosses**

#### **EUR/MYR**



#### EUR/MYR Neutral to slightly bearish

EURMYR opened little changed at 4.7831 and managed to rebound from intraday low to around 4.7700. USD weakness continued to support MYR which has outperformed EUR. The pair is likely to stabilize in our view ahead of tomorrow's ECB meeting which is expected to unveil its latest forecasts.

	S2	<b>S1</b>	Indicative	R1	R2
EUR/MYR	4.7510	4.7545	4.7735	4.7760	4.7796

#### **GBP/MYR**



#### **GBP/MYR Bearish**

GBPMYR opened slightly higher at 5.3803 and has since then weakened to 5.3600 as market consolidates. The lack of progress in this week's Brexit talks remain a key driver for GBP. We remain comparatively pessimistic regarding GBP on Covid-19 and Brexit related issues.

	S2	<b>S1</b>	Indicative	R1	R2
GBP/MYR	5.3305	5.3330	5.3612	5.3675	5.3702

# **AUD/MYR**



# AUD/MYR Neutral to slightly bearish

AUDMYR opened nearly 1% higher at 2.9567 and has retreated from intraday high to 2.9545 after Australia's 1Q GDP met expectation. AUD continued to be supported by risk-on mood. Despite recovering commodity market, AUD continues to stay at elevated level, supporting the case for a correction from stretched level. Both AUD and MYR stand to weaken if US-China tension escalates.

	S2	<b>S1</b>	Indicative	R1	R2
AUD/MYR	2.9298	2.9320	2.9556	2.9605	2.9633

Source: Bloomberg, HLBB Global Markets Research



### Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets Level 8, Hong Leong Tower 6, Jalan Damanlela Bukit Damansara 50490 Kuala Lumpur

Tel: 603-2081 1221 Fax: 603-2081 8936

Email: <u>HLMarkets@hlbb.hongleong.com.my</u>

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