

3 August 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 4.2415. Daily outlook is neutral today as the market reopened and investors digest key headlines over the weekend and anticipate more development over key issues such as Trump Administration announcement on Tik Tok, stimulus negotiation at Congress as well as PMI data. USD movement and shift in risk sentiments will remain a key determinant for MYR fate in the short-to-medium term.

1-Month Outlook – MYR Neutral

No change to our neutral outlook on USDMYR, expecting intermittent USD strength as markets would likely stay cautious and risk averse amid on and off concern over the virus. 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. Dovish monetary policy outlook would also keep a lid on MYR advances although we believe USD movement will remain the major influence.

	S2	S1	Indicative	R1	R2
USD/MYR	4.2172	4.2230	4.2400	4.2508	4.2653

MYR Crosses

EUR/MYR

EUR/MYR Neutral to slightly bearish



EUR/MYR opened 0.2% higher at 4.9945. The pair has now retreated slightly from recent high. Daily outlook is neutral for now but some correction is still possible at an overbought level. Pair is vulnerable to a shift in sentiment that would rejuvenate the dollar.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.9291	4.9630	4.9862	5.0000	5.0100

GBP/MYR

GBP/MYR Bullish



GBP/MYR opened 0.8% higher at 5.5531. GBP momentum remains strong for now. GBP/MYR has now breached the RSI overbought level but there is still some room for gains in the short term. Similarly, pair is vulnerable to a potential rebound in USD if sentiment shifts. In the short-to-medium term, Brexit news (if any major developments) may shift near term sentiment. Data may not move GBP as much, unless there are significant surprises.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4704	5.5000	5.5474	5.5590	5.6086

AUD/MYR

AUD/MYR Neutral



AUD/MYR opened little changed at 3.0292. Daily outlook is neutral amid lack of market driver. Pair is likely to stay above 3 in the short term, shift in sentiment arising from US-China tension post downside risk to AUD/MYR.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9922	3.000	3.0238	3.0485	3.0540

Source: Bloomberg, HLBB Global Markets Research

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