

3 September 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened 0.1% higher at 4.1482 and has since pulled back to 4.1360. This defied our earlier expectation for USDMYR to rebound after a stronger greenback overnight. If the weak momentum persists, the next levels to watch out for are 4.12-4.13 before attempting 4.10. Nonetheless the pair is severely oversold, correction is thus possible. BNM's OPR decision and FTSE Russell's WGBI decision also present as event risks this month.

1-Month Outlook – MYR Neutral to slightly bearish

We turned slightly bearish on MYR, anticipating a rebound in the USD after staying at low levels for weeks. The DXY is stretched and is now at more-than-two-year low. There are reasons to be wary of the ongoing stock market optimism - low treasury yields and the bullish gold tells us that some manner of risk aversion remains in the market. A shift in sentiment would trigger and hasten a dollar comeback.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1200	4.1300	4.1360	4.1500	4.1700

MYR Crosses

EUR/MYR



EUR/MYR Bearish

EUR/MYR opened 0.2% lower at 4.9092 and has slipped below 4.90 for the first time in nearly seven weeks after the USD strengthened overnight. Daily outlook is bearish as the EUR continues to lose momentum in the Asian morning session alongside a resilient MYR.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8570	4.8850	4.8946	4.9121	4.9328

GBP/MYR



GBP/MYR Bearish

GBP/MYR opened little changed at 5.5312 but fell to 5.5149 as of writing in response to recent dollar's resurgence. Similarly, GBP/MYR remains very much dollar driven in the absence of Brexit headlines/progress. MYR's strength should keep the pair down today.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4860	5.5000	5.5149	5.5345	5.5587

AUD/MYR



AUD/MYR Neutral to slightly bearish

AUD/MYR opened 0.2% lower at 3.0370 and is expected to be weighed down by weaker AUD and also a resilient MYR. Maintain view that the pair is likely to stay within the comfortable range of 3.01-3.05.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0000	3.0289	3.0433	3.0612	3.0800

Source: Bloomberg, HLBB Global Markets Research

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