

4 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 4.2240. Daily outlook is neutral to slightly bullish today after the dollar strengthened a little overnight, but the gains (if any) are likely to be limited amid a lack of major market driver in the short term. Huge USD movement and a shift in risk sentiments (stronger/reversal in USD bears) 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	4.2000	4.2100	4.2177	4.2395	4.2540

MYR Crosses

EUR/MYR



EUR/MYR Neutral to slightly bearish

EUR/MYR opened 0.14% higher at 4.9636. EUR/USD has now retreated for a straight three days, translating to lower EUR/MYR cross. Pair is vulnerable to a shift in sentiment (that would rejuvenate the dollar) and is slated for further reversal when the USD rebounds from the current lows either this week or next.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.9239	4.9485	4.9620	4.9800	5.0000

GBP/MYR



GBP/MYR Neutral to slightly bearish

GBP/MYR opened 0.26% lower at 5.5194. Similarly, GBP momentum has faded, and is prime for a reversal at stretched levels. 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	5.5070	5.5170	5.5583	5.5700

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.21% lower at 3.0035. Pair is holding steady ahead of the RBA's policy decision at 12.30pm and after a slew of mixed Aussie data. The lockdown of Victoria is creating some market uneasiness and investors are looking towards the RBA's assessment of the current situation. Other than that, a shift in sentiment (Stronger USD) as well as US-China tension post downside risk to AUD/MYR.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9922	3.0000	3.0047	3.0259	3.0540

Source: Bloomberg, HLBB Global Markets Research

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damansara

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hlbb.hongleong.com.my**DISCLAIMER**

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