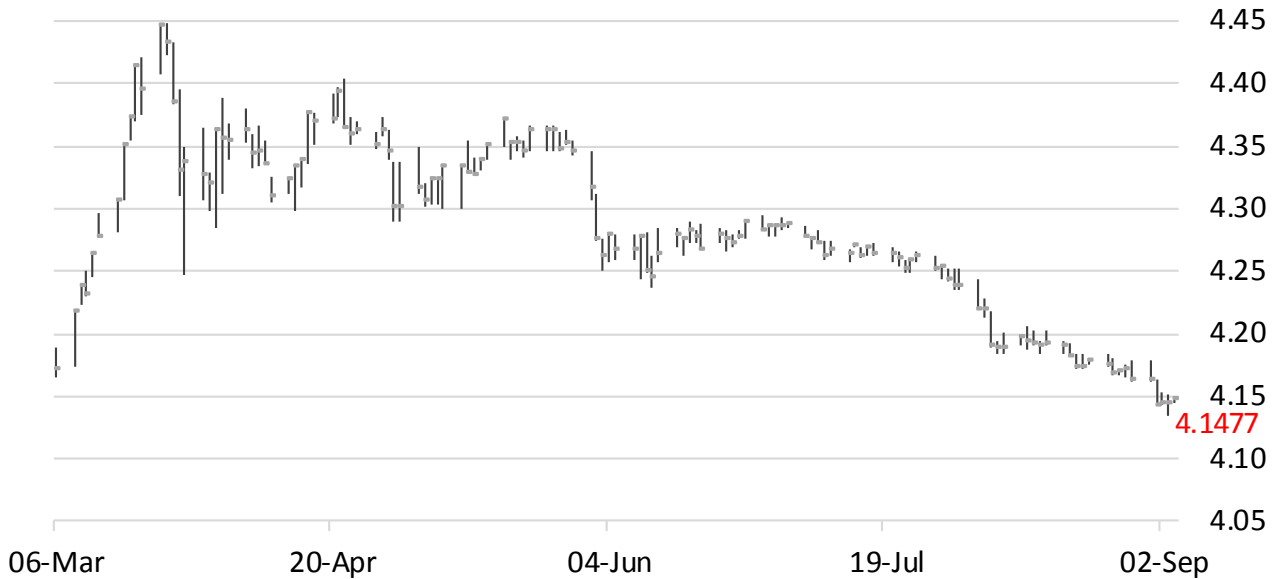


4 September 2020

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 4.1462 and is hovering around recent levels. The pair’s movement is likely to remain limited today ahead of tonight’s nonfarm payroll data. 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.

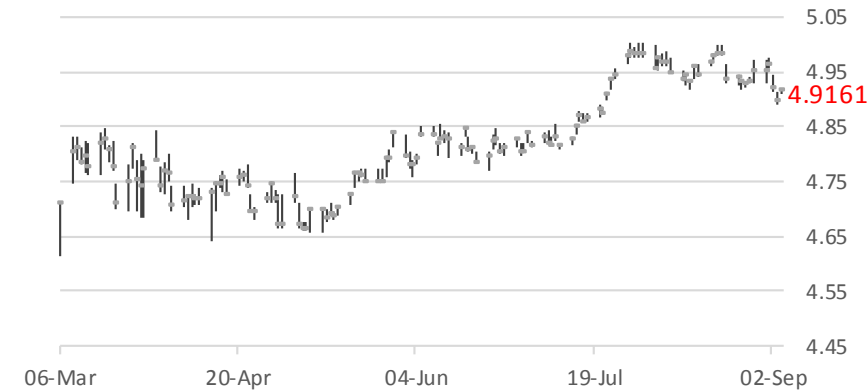
1-Month Outlook – MYR Neutral to slightly bearish

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	4.1477	4.1500	4.1700

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened 0.2% higher at 4.9095, returning back above 4.90 after recently lower move. Expect the pair to stick to a tight range of 4.90-4.93 amid a lack of key drivers. The pair is dollar driven for now ahead of tonight's job report before focus turns to the ECB meeting next Thursday.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8570	4.8850	4.9161	4.9328	4.9454

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.3% lower at 5.4988 after GBP weakened overnight. Pair has eased from the intraday high of 5.5150, and is likely trading within recent ranges of 5.4950- 5.5200 in the short term amid cautious sentiment and the lack of major driver. Similarly, GBP/MYR remains very much dollar driven in the absence of Brexit headlines/progress.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4860	5.5000	5.5090	5.5345	5.5587

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.7% lower at 3.0089; AUD was among the top loser against USD on Thursday. The positive retail sales data did not sway AUD/USD, thus keeping AUD/MYR steady. We maintain view that the pair is likely to stay within the comfortable range of 3.01-3.05 in the short term.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0000	3.0100	3.0163	3.0289	3.0540

Source: Bloomberg, HLBB Global Markets Research

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