

5 October 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to Slightly Bullish

USD/MYR opened 0.1% lower at 4.1575. We remain neutral to slightly bullish on MYR today, eyeing a range of probably 4.1300-4.1800, on expectation of protracted USD weakness. Technically, bullish momentum in USDMYR is softening suggesting the pair may retreat further.

1-Month Outlook – MYR Bearish

We are still bullish on USD/MYR over a one month horizon, expecting USD strength to prevail at least until November's general election. Lacklustre recovery and especially slower job growth pose downside risk to the USD, but this is outweighed by higher possibility for a USD reversal after months of weakness as well as rising volatility ahead of the election.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1300	4.1405	4.1590	4.1800	4.2000

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened little changed at 4.8798. Daily outlook remains neutral as EUR/MYR continues to stick within the range of 4.85-4.89 amid cautious sentiment. No change to our bearish outlook in EUR in the more medium term over more sustained USD strength.

a	S2	S1	Indicative	R1	R2
EUR/MYR	4.8350	4.8500	4.8785	4.8900	4.9054

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened little changed at 5.3830. GBP has strengthened recently as PM Johnson and EC President Von der Leyen spoke over the weekend, agreeing to work out a trade deal. Daily outlook is neutral for now; no change to our view that GBP is bearish in the short and more medium term on the back of Brexit uncertainties and poor recovery prospect.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.3170	5.3300	5.3839	5.4000	5.4167

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.4% higher at 2.9871 and continues to trade steadily within 2.96-2.99. AUD has strengthened slightly on positive Trump recovery news. Daily outlook is neutral and we look towards RBA's monetary decision statement for guidance.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9270	2.9530	2.9876	3.0000	3.0200

Source: Bloomberg, HLBB Global Markets Research

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