6 May 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR

Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Slightly Bullish

USD/MYR opened little changed this morning at 4.3050. The pair had closed weaker on the previous day after BNM cut OPR by 50basis points in a widely expected move, in essense a relief for the MYR market as the central bank signals that it won't adjust rate in the near term. Daily outlook for the pair is slightly bearish in our view as the USD appears to lose its lustre for now with MYR potentially benefits from the higher crude oil prices.

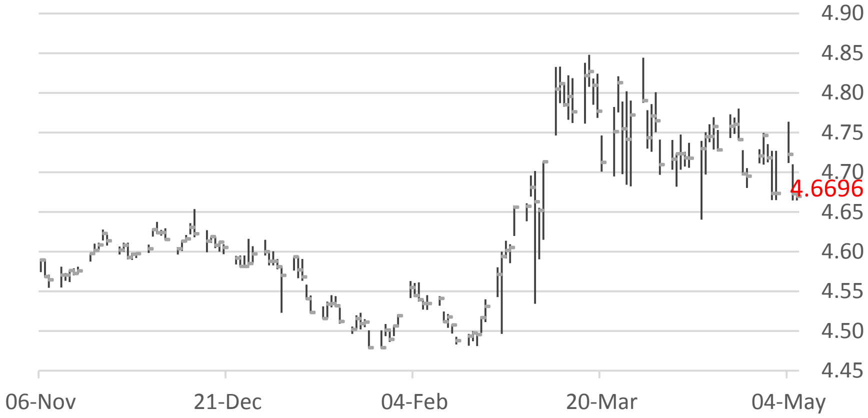
1-Month Outlook – MYR Bearish

Medium term outlook remained bullish as we may see the USD rebound a little further up to the level 100 for DXY as markets may favour optimism in the USD from a reopened US economy even as data are poor and US cases continued to climb.

	S2	S1	Indicative	R1	R2
USD/MYR	4.3000	4.3040	4.3095	4.3305	4.3335

MYR Crosses

EUR/MYR



EUR/MYR Neutral

Pair opened little changed today at 4.6680. Daily outlook is neutral as EUR is in consolidative mode against the USD for now with little chances of breaking 1.08-1.10. This is in concurrence with the lack of driver in the MYR market albeit we see some potential upside in the MYR in the short term thanks to higher oil prices but wouldn't translate into meaningful gain in EUR/MYR.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.6600	4.6630	4.6696	4.6900	4.6935

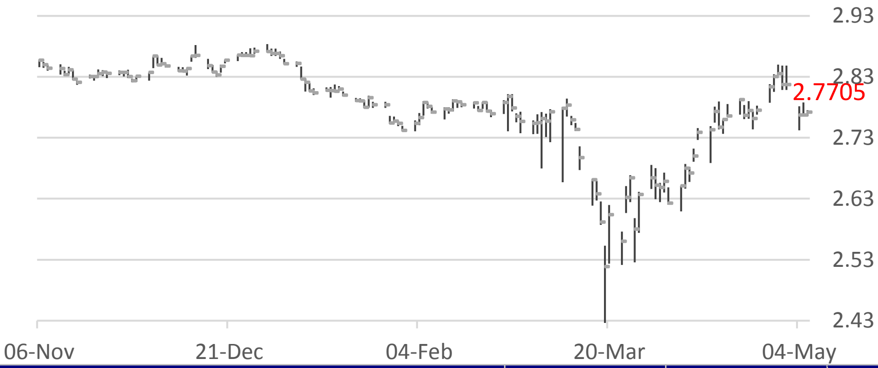
GBP/MYR

GBP/MYR Neutral

Similarly GBP/MYR appears to be neutral today as GBP has come off recent high and trading on the weaker end since the start of May. We are cautious of GBP movement mainly on fundamental factors with death tolls piling higher daily compared to that of Italy and Germany.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.3475	5.3505	5.3545	5.3910	5.3940

AUD/MYR



AUD/MYR Slightly Bullish

AUD/MYR had opened slightly higher today and is getting a boost from the upbeat retail sales data. Nonetheless, it's worth noting that AUD is likely to dip following recent rallies and the commodity market outlook remains poor. China trade data shall offer some hints.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.7580	2.7630	2.7705	2.7910	2.7940

Source: Bloomberg, HLBB Global Markets Research

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