

6 July 2020

Global Markets Research
Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USDMYR opened little changed at 4.2855. As of writing, most Asian currencies are strengthening against the greenback, led by the IDR. MYR is up by 0.11%. USDMYR had been holding steadily for the past week, and today's renewed dollar weakness is unlikely to change the course ahead of tomorrow's BNM MPC meeting. We are maintaining view that the central bank would keep the policy rate at the current 2%.

1-Month Outlook – MYR Neutral

We are turning neutral on medium term USDMYR outlook, expecting intermittent USD strength as markets would likely stay cautious and risk averse amid lingering concern over a second wave of virus outbreak. 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.

	S2	S1	Indicative	R1	R2
USD/MYR	4.2650	4.2808	4.2830	4.2951	4.3117

MYR Crosses

EUR/MYR



EUR/MYR neutral to slightly bullish

EURMYR opened 0.16% higher at 4.8219. EURUSD is up by 0.25% amid new dollar weakness. This led EUR to gain mild benefit against the MYR as the local market awaits tomorrow's BNM meeting. Pair is expected to trade on neutral to slightly bullish tone today with the lack of robust driver.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.7912	4.8066	4.8268	4.8432	4.8500

GBP/MYR

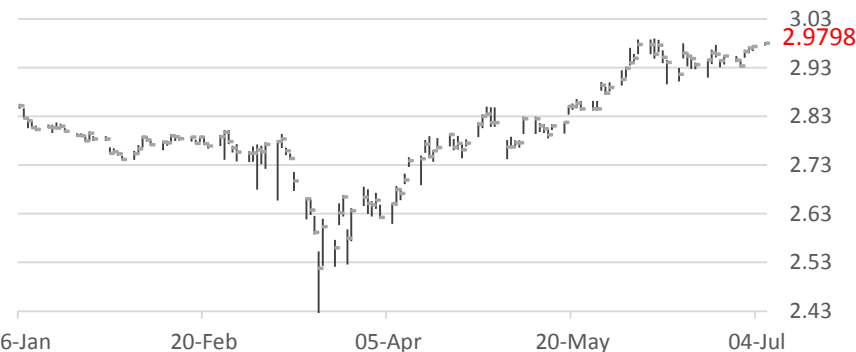


GBP/MYR neutral

GBPMYR opened 0.10% lower at 5.3479 and is expected to traverse on a flat course in a quiet and uneventful session today. GBP is still bearish, held down by weaker fundamentals, pandemic concerns and the absence of any progress in Brexit talks.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.3088	5.3307	5.3447	5.3682	5.3900

AUD/MYR



AUD/MYR slightly bullish

AUDMYR opened 0.21% higher at 2.9790 and is gaining some edges in a generally risk-on environment. Daily outlook is only slightly bullish as the gain in AUD is likely limited amid ongoing US-China tension. A stretched AUD continues to pave ways for some consolidation in the short-to-medium term.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9316	2.9532	2.9798	2.9850	2.9900

Source: Bloomberg, HLBB Global Markets Research

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