

7 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 4.2760 and is seen trading slightly weaker at 4.2715 as of writing, corresponding with the weaker greenback overnight but the loss is likely limited by the cautious tone ahead of today's BNM OPR decision at 3pm. We are maintaining view that the central bank would keep the policy rate unchanged at the current 2.00%.

1-Month Outlook – MYR Neutral

We are 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	4.2500	4.2635	4.2725	4.2815	4.2908

MYR Crosses

EUR/MYR



EUR/MYR neutral

EURMYR opened 0.16% higher at 4.8390 but lost momentum mainly on stronger MYR. The pair is seen trading on a neutral tone as of writing and is likely to remain so for the rest of the day prior to the 3pm BNM's OPR announcement where markets not only await the central bank's decision but also on policy guidance.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8066	4.8191	4.8345	4.8500	4.8554

GBP/MYR



GBP/MYR neutral

GBPMYR opened 0.13% lower at 5.3449 and slipped further to around 5.3400. GBP is neutral today but short-term outlook 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	5.3313	5.3404	5.3668	5.3842

AUD/MYR



AUD/MYR neutral

AUDMYR opened unchanged at 2.9833 and below 2.9800. Outlook is neutral for the pair ahead of RBA's cash rate decision at 12.30pm later. Markets are expecting the RBA to keep cash rate unchanged and looking for any potential optimistic outlook from the central bank. A stretched AUD continues to pave ways for some consolidation in the short-to-medium term.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9420	2.9606	2.9795	2.9850	2.9900

Source: Bloomberg, HLBB Global Markets Research

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