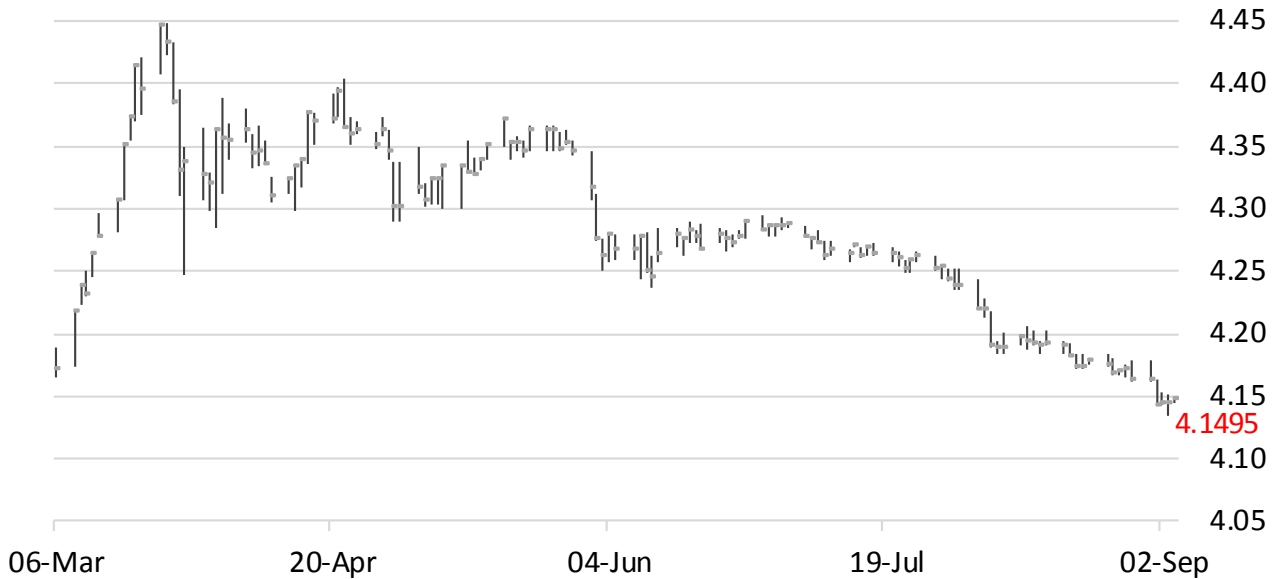


7 September 2020

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 4.1460. MYR strengthened 0.4% WOW against USD last week and was the best performing Asian currency, benefitting from a combo of USD weakness and demand for the local unit. The momentum in USD/MYR remains negative despite being in oversold position for some time. While we expect an eventual reversal in the pair from recent down move, we see room for USD/MYR to test 4.12-4.13 this week. BNM OPR decision will be a key event risk, we are calling for a 25bps cut but a pause may further reinforce MYR bulls.

1-Month Outlook – MYR Neutral to slightly bearish

We are slightly bearish on MYR, anticipating a rebound in the USD after staying at low levels for weeks. The DXY is stretched and a rebound is expected to push USD/MYR back to circa 4.16. We are looking towards BNM’s statement and its OPR decision this week for guidance.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1200	4.1300	4.1495	4.1573	4.1700

MYR Crosses

EUR/MYR

EUR/MYR Neutral

EUR/MYR opened 0.2% lower at 4.9075, staying above 4.90 after recently lower move. Maintain view that the pair would stick to a tight range of 4.90-4.93 amid a lack of key drivers and ahead of this week's BNM and ECB meetings.



	S2	S1	Indicative	R1	R2
EUR/MYR	4.8570	4.8850	4.9103	4.9328	4.9454

GBP/MYR

GBP/MYR Neutral

GBP/MYR opened 0.5% lower at 5.4934. Pair is likely trading within a tight range of 5.4900- 5.5200 in the short term amid cautious sentiment as Brexit talks with EU resumed and PM Boris Johnson set a 15 October deadline



	S2	S1	Indicative	R1	R2
GBP/MYR	5.4735	5.4860	5.4956	5.5112	5.5587

AUD/MYR

AUD/MYR Neutral

AUD/MYR opened 0.2% lower at 3.0195; No change to current view that the pair is likely to stay within the comfortable range of 3.01-3.05 in the short term ahead of local key event this week.



	S2	S1	Indicative	R1	R2
AUD/MYR	3.0000	3.0100	3.0223	3.0289	3.0540

Source: Bloomberg, HLBB Global Markets Research

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