

8 September 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Slightly Bearish

USD/MYR opened little changed at 4.1593 but has strengthened to circa 4.1650 as of writing as dollar strength gathered momentum. We are still expecting an eventual and gradual reversal in the pair from recent down move, but the upside could be limited in anticipation of BNM’s OPR decision. We are calling for a 25bps cut. A pause however 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	4.1300	4.1460	4.1655	4.1700	4.1800

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened little changed at 4.9167 and is seen trading steadily around 4.9170. We 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	4.9170	4.9328	4.9454

GBP/MYR



GBP/MYR slightly bearish

GBP/MYR opened little changed at 5.4749 but is biased towards slight bearishness as the pound weakened over fear of a no-deal Brexit. Brexit negotiation is expected to continue driving the GBP/USD pair this week. Key UK data are slated for Friday's release and is unlikely to elicit much market movement unless there are major surprises.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4560	5.4700	5.4770	5.5000	5.5112

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.1% higher at 3.0287; 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	3.0328	3.0500	3.0753

Source: Bloomberg, HLBB Global Markets Research

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