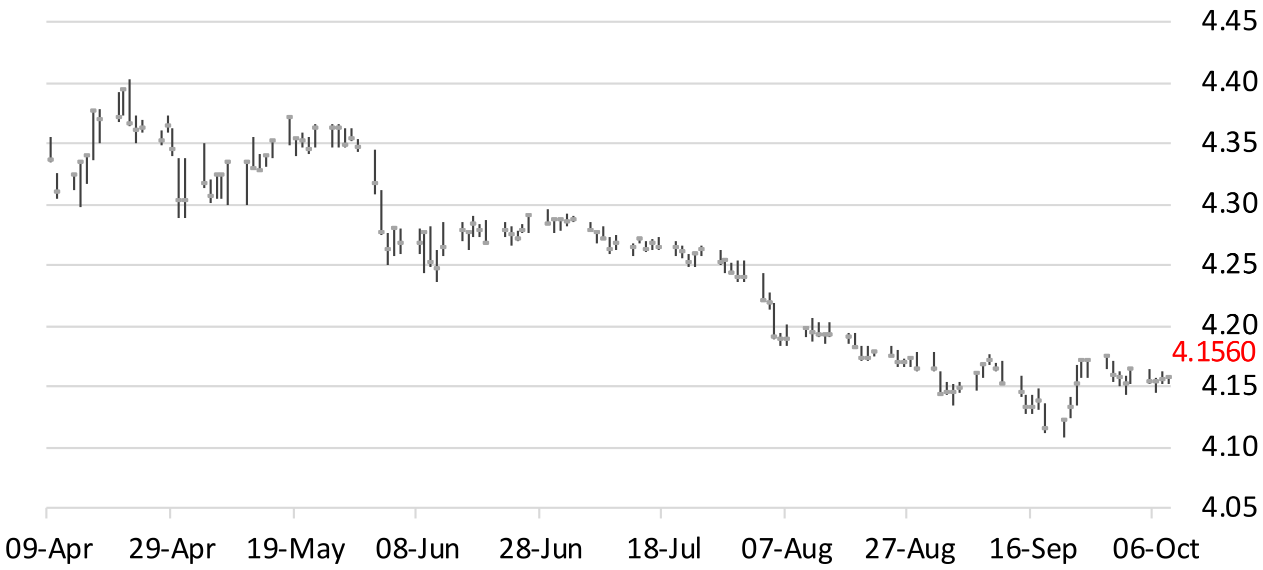
8 October 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to Slightly Bullish

USD/MYR opened little changed at 4.1550. Daily outlook for the pair is neutral to slightly bearish in response to a broad-based reversal in USD strength overnight. This is in line with our weekly outlook of a neutral to slightly bullish view on MYR this week; nonetheless the pair is still likely to stay within the range of 4.1300-4.1800.

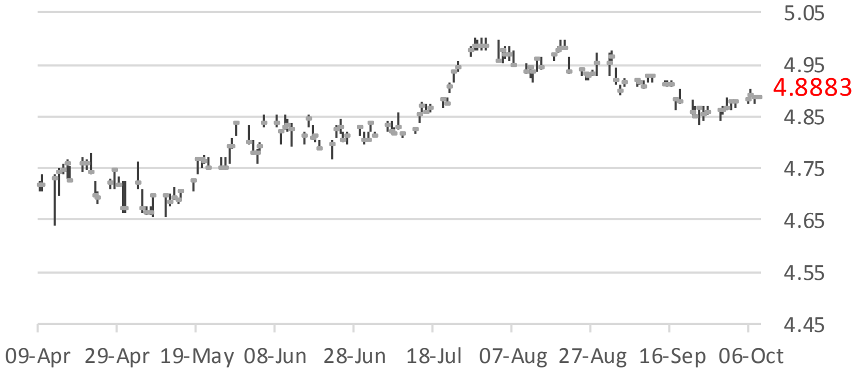
1-Month Outlook – MYR Bearish

We are still bullish on USD/MYR over a one month horizon, expecting USD strength to prevail at least until November's general election. Lacklustre recovery and especially slower job growth pose downside risk to the USD, but this is outweighed by higher possibility for a USD reversal after months of weakness as well as rising volatility ahead of the election.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1300	4.1405	4.1560	4.1800	4.2000

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened little changed at 4.8893 and is expected to trade neutrally today, possibly staying below or just at 4.8900. Sentiments are cautious amid a lack of drivers in the Asian session. No change to our bearish outlook in EUR in the more medium term over more sustained USD strength.

a	S2	S1	Indicative	R1	R2
EUR/MYR	4.8350	4.8500	4.8883	4.8900	4.9054

GBP/MYR

GBP/MYR Neutral

GBP/MYR opened little changed at 5.3684; daily outlook is neutral as GBP reversed some recent losses amid broad-based improvement in sentiment overnight. Pair is likely subject to volatility on Brexit headlines. No change to our view that GBP is bearish in the short and more medium term on the back of Brexit uncertainties and poor recovery prospect.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.3300	5.3595	5.3701	5.3867	5.4000

AUD/MYR

AUD/MYR Neutral

AUD/MYR opened little changed at 2.9651 and daily outlook is neutral amid cautious sentiment in the Asian session. AUD/USD is expected to be resilient as economy is faring better than many, not to mention recovery in its key partner China. Nonetheless, some down moves are inevitable when market becomes occasionally. risk-off.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9270	2.9530	2.9654	2.9814	3.0000

Source: Bloomberg, HLBB Global Markets Research

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