

9 June 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Bullish

USDMYR opened 0.31% lower at 4.2535 after last closing weaker following the PM's announcement of a "Recovery MCO" to replace the Conditional MCO. The pair's daily outlook is bearish as the USD remains pressured on a broader level and the reopening of more economic sectors locally alongside brighter commodity outlook is likely to support MYR in the short term.

1-Month Outlook – MYR Bullish

We are bearish on medium term USDMYR outlook as a current risk-on mood is supportive of a weaker USD and mainly because commodity-related currencies are likely to fare better compared to more pessimistic view a month ago. This is in line with a long held view of a slightly weaker USD throughout 2020, even as there may be some near-term USD strength. Having said that, growing US-China hostility may give rise to stronger USD and thus pose a downside risk to the local unit.

	S2	S1	Indicative	R1	R2
USD/MYR	4.2466	4.2498	4.2610	4.2708	4.2732

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EURMYR opened 0.58% lower at 4.8087 when market reopened this morning. We are neutral to slightly bullish on EUR for the week. Momentum is strong but consolidation is likely at some stage. This week's data (GDP revision, industrial production, CPI) should not derail momentum.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.7852	4.7880	4.8091	4.8162	4.8198

GBP/MYR



GBP/MYR Neutral

GBPMYR opened 0.46% higher at 5.4193 and is likely to consolidate this week. The lack of progress in Brexit talks remain a key driver for GBP. There are less reasons to be optimistic on the GBP than the EUR, given Brexit uncertainty, higher Covid-19 infection and weakening fundamentals.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.3848	5.3872	5.4166	5.4215	5.4252

AUD/MYR



AUD/MYR bullish

AUDMYR opened 0.38% higher at 2.9887 as AUD continued to benefit from weaker dollar and brighter commodity outlook. AUD continues to stay at elevated level, supporting the case for a correction from stretched level. Both AUD and MYR stand to weaken if US-China tension escalates.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9578	2.9602	2.9825	2.9888	2.9921

Source: Bloomberg, HLBB Global Markets Research

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