

9 July 2020

Global Markets Research
Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Slightly bullish

USDMYR opened 0.16% lower at 4.2650 in response to the broad-based weakness of the greenback overnight. Daily outlook is slightly bearish -- there is now a huge gap between the MACD and signal line -- but we reckon the gain in MYR is very much limited as the local unit is vulnerable to any swing in sentiment. In addition, the MYR market is still assessing recent OPR cut, as BNM's dovishness raises questions on the pace of domestic economic recovery.

1-Month Outlook – MYR Neutral

No change to our neutral outlook on USDMYR, expecting intermittent USD strength as markets would likely stay cautious and risk averse amid on and off concern over the virus. 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. Dovish monetary policy outlook would also keep a lid on MYR advances although we believe USD movement will remain the major influence.

	S2	S1	Indicative	R1	R2
USD/MYR	4.2360	4.2500	4.2650	4.2786	4.2925

MYR Crosses

EUR/MYR



EUR/MYR bullish

EURMYR opened 0.55% higher at 4.8434 after stronger EUR overnight. Pair regained strength after a minor slide. Daily outlook is bullish with EUR aiming for 1.35 while MYR remains on the cautious side. Short-term outlook is for a range bound trading of 4.80-4.85.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8066	4.8217	4.8385	4.8500	4.8600

GBP/MYR



GBP/MYR bullish

GBPMYR opened 0.63% higher at 5.3883 and is catching up with yesterday's surge following Chancellor Sunak's announcement of a £30bn plan to support jobs. Pair is seen trading shy of 5.3800 and is likely to hover near this level for most part of the session. In the short-to-medium term, pair is still vulnerable to weaker fundamentals, pandemic concerns and the absence of any major Brexit breakthrough.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.3332	5.3526	5.3786	5.3940	5.4275

AUD/MYR



AUD/MYR neutral

AUDMYR opened 0.63% higher at 2.9842 and has since then eased off to below 2.98. Pair did not react to China's CPI and PPI data (which were improving). Pair has been trading around recent ranges but above 2.90. There is room for further upside but we judge 3.00 will be a great resistance to overcome. Some consolidation back to 2.85-2.90 is still possible in the short-to-medium term.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9434	2.9606	2.9742	2.9850	2.9900

Source: Bloomberg, HLBB Global Markets Research

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