

9 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 4.1675. The pair biased towards slight bullishness following a much stronger greenback overnight and as global risk sentiment retreated. However the upside could be limited in anticipation of tomorrow's BNM's OPR decision. We are calling for a 25bps cut. A pause by the central bank may temporarily lead to resurgence in MYR bulls.

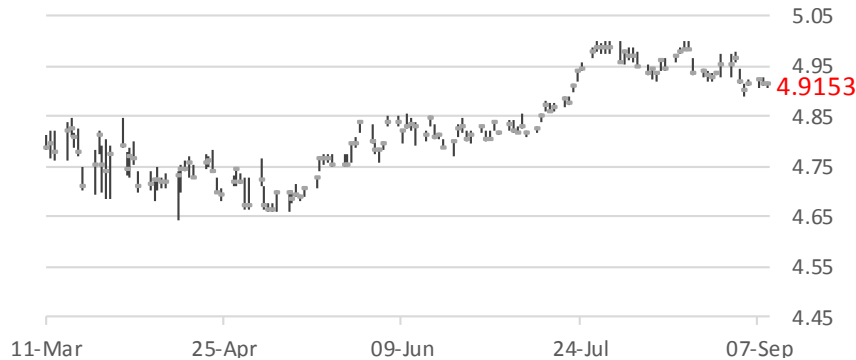
1-Month Outlook – MYR Neutral to slightly bearish

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

	S2	S1	Indicative	R1	R2
USD/MYR	4.1460	4.1560	4.1735	4.1800	4.1900

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened 0.2% lower at 4.9042 and expected to continue trading around recent ranges as EUR/USD held steady this morning. 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	4.9153	4.9328	4.9454

GBP/MYR



GBP/MYR Bearish

GBP/MYR opened 1.0% lower at 5.4035 and is poised to weaken further as fear of a no-deal Brexit intensifies thanks to PM Boris Johnson's hard line negotiating nature. Brexit talks are 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	5.3500	5.3894	5.4116	5.4480	5.5000

AUD/MYR



AUD/MYR Neutral to slightly bearish

AUD/MYR opened 0.8% lower at 3.0051; AUD/USD has retreated sharply overnight as bearish risk sentiments helped drive the USD higher but managed to remain above 0.72. This should keep the pair within the range of 3.00-3.03 in the short term ahead of tomorrow's BNM OPR decision.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.9575	2.9800	3.0127	3.0500	3.0753

Source: Bloomberg, HLBB Global Markets Research

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