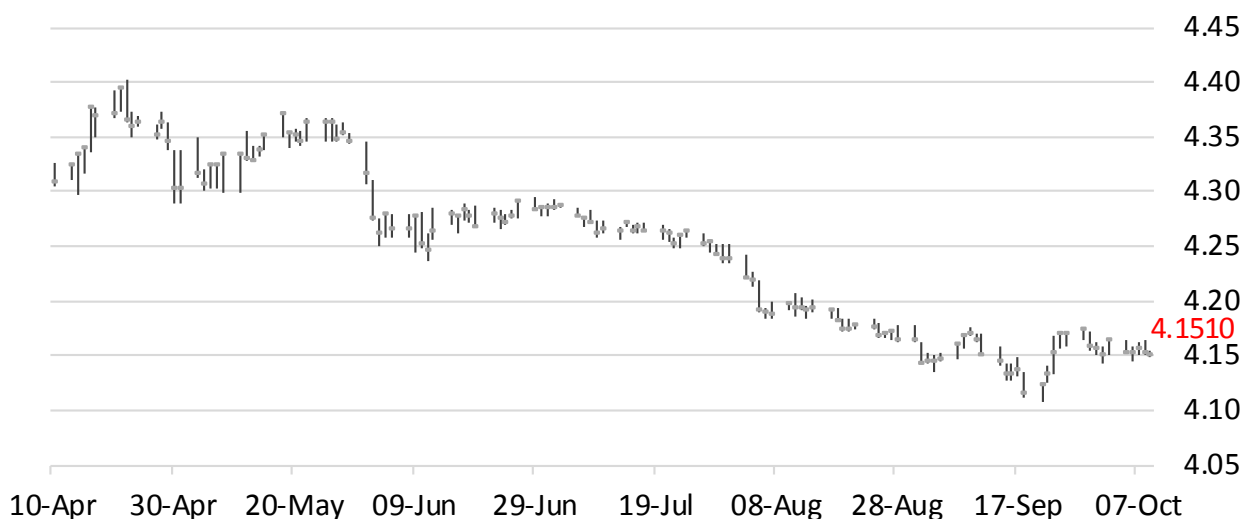


9 October 2020

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 4.1545; Daily outlook for the pair remains neutral to slightly bearish as USD recorded mixed performances across the FX board. Pair has been holding steadily within a tight range for the past three sessions and is likely to remain so today.

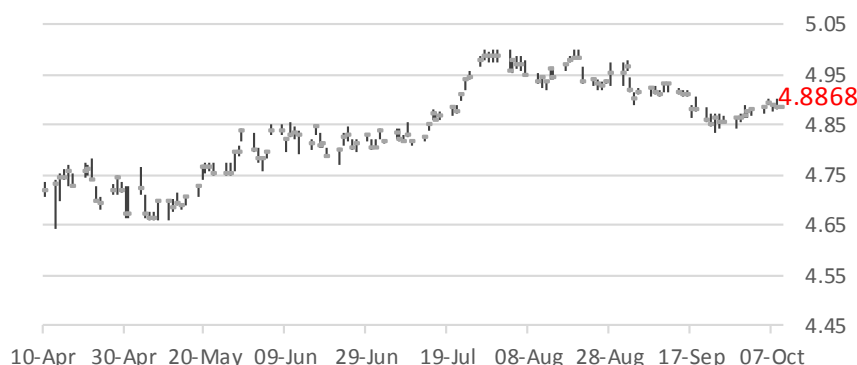
1-Month Outlook – MYR Bearish

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	4.1510	4.1800	4.2000

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened little changed at 4.8871 is likely to stay within a tight range today at circa 4.8800 amid a lack of major driver and with USD continuing to hold steadily. 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	4.8868	4.8900	4.9054

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.1% lower at 5.3741; daily outlook is neutral in the absence of major Brexit news and ahead of today's UK data releases. There is also suggestion that Chancellor Sunak would unveil a national job furlough program. 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	5.3772	5.3867	5.4000

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.1% lower at 2.9801 and is struggling to benefit from the upbeat Australian home loan data which surged nearly 13% in August as well as positive China Caixin PMI. In the medium term, 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	2.9802	3.0000	3.0200

Source: Bloomberg, HLBB Global Markets Research

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