

10 June 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Bullish

USDMYR opened just a tad lower at 4.2735, from yesterday's closing of 4.2770, and has been range trading since. The pair's daily outlook is neutral to slightly 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 intermittent 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	4.2539	4.2588	4.2665	4.2788	4.2805

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EURMYR opened 0.58% higher at 4.8469 this morning following overnight rally in the EUR and a rangy MYR. 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	4.8302	4.8325	4.8401	4.8492	4.8513

GBP/MYR

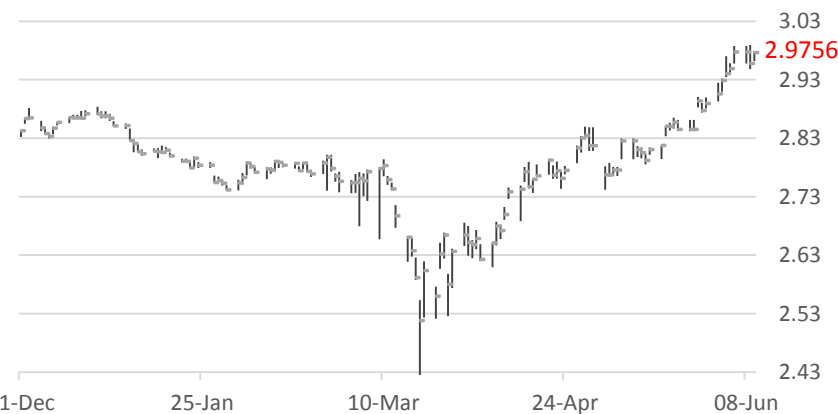


GBP/MYR Neutral

GBPMYR opened 0.53% higher at 5.4360 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	5.4166	5.4195	5.4362	5.4447	5.4481

AUD/MYR



AUD/MYR Neutral to Slightly Bearish

AUDMYR opened 0.37% higher at 2.9635 as AUD continued to benefit from weaker dollar and brighter commodity outlook. Despite the pullback below 0.70 currently, AUD continues to stay elevated above the 0.69 levels, suggesting there is still room for further consolidation from stretched level. Both AUD and MYR stand to weaken if US-China tension escalates.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9468	2.9500	2.9756	2.9808	2.9836

Source: Bloomberg, HLBB Global Markets Research

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