

10 July 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Bearish

USDMYR opened 0.13% higher at 4.2680, catching up with stronger USD overnight. As of writing, USD is seen gaining an edge over the local unit as current sentiment is working in favour of the greenback ahead of the weekend. In addition, the MYR market is still assessing recent OPR cut, as BNM's dovish-ness raises questions on the pace of domestic economic recovery. Today's industrial production data could provide us more insights of the state of the economy after MCO rules were eased.

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	4.2717	4.2786	4.2925

MYR Crosses

EUR/MYR

EUR/MYR slightly bullish



EURMYR opened 0.38% lower at 4.8117 after USD staged a broad-based rebound and weighed on nearly all major currencies. Daily outlook is slightly bullish as EUR bounced off lower opening, with MYR more vulnerable to a retreat in global risk sentiment. Short-term outlook calls for a range bound trading of 4.80-4.85.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.7830	4.8000	4.8155	4.8500	4.8600

GBP/MYR

GBP/MYR slightly bullish



GBPMYR opened 0.24% lower at 5.3733 after GBP weakened overnight. As of writing, GBP has regained strength against MYR with a 0.13% gain although the direction is not as decisive. 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	5.3790	5.3940	5.4275

AUD/MYR

AUD/MYR neutral



AUDMYR opened 0.32% lower at 2.9669, and is still trading below 2.97 as writing. This reflects today's more downbeat sentiment as USD made a comeback. Both components are exposed to weak oil demand and fragile sentiment. Looking ahead, we judge that 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	2.9100	2.9434	2.9669	2.9850	2.9900

Source: Bloomberg, HLBB Global Markets Research

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