

13 July 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USDMYR opened little changed (-0.02%) at 4.2660 this morning and is seen trading lower below 4.2600 as of writing. In the week ahead, we see USDMYR moving on a neutral note, potentially swinging between minor gains and losses in response to volatile sentiment, barring from any major fundamental factor such as the escalation of US-China tensions. The pair should sit comfortably within 4.25- 4.29 in our view.

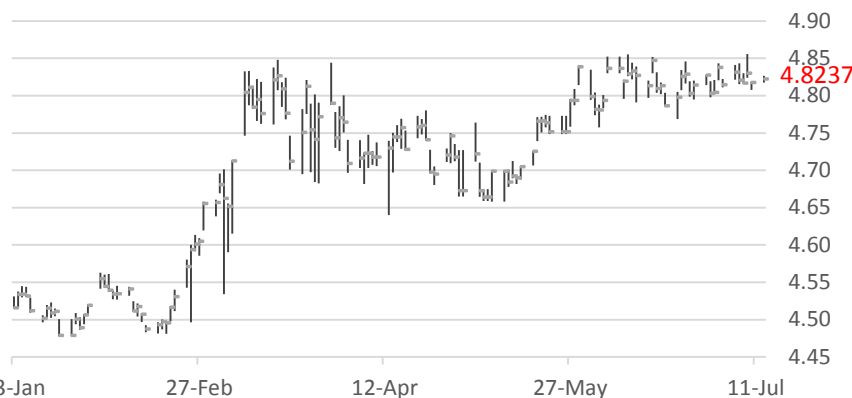
1-Month Outlook – MYR Neutral

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	4.2585	4.2745	4.2925

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EURMYR opened 0.16% higher at 4.8251. Daily outlook is neutral in a likely quiet session in the absence of any major market driver. Pair is likely staying within the range of 4.80-4.85 this week; EUR is data driven (with US retail sales, CPI, industrial production in the pipeline) and markets are anticipating the ECB's Governing Council meeting and President Lagarde's press conference.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8000	4.8123	4.8237	4.8298	4.8500

GBP/MYR



GBP/MYR Neutral

GBPMYR opened 0.21% higher at 5.3875. Daily outlook is neutral as GBP is holding relatively steady alongside EUR. UK job report is expected to be a market driver this week. 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	5.3526	5.3680	5.3906	5.4000	5.4158

AUD/MYR



AUD/MYR Neutral

AUDMYR opened little changed at 2.9652. Daily outlook is neutral ahead of major China data this week. Both currencies are exposed to outlook of oil demand and fragile sentiment. OPEC and its allies are set to ease production cut; this could depress prices further if demand is not up to par. We maintain view 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	2.9686	2.9850	2.9900

Source: Bloomberg, HLBB Global Markets Research

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