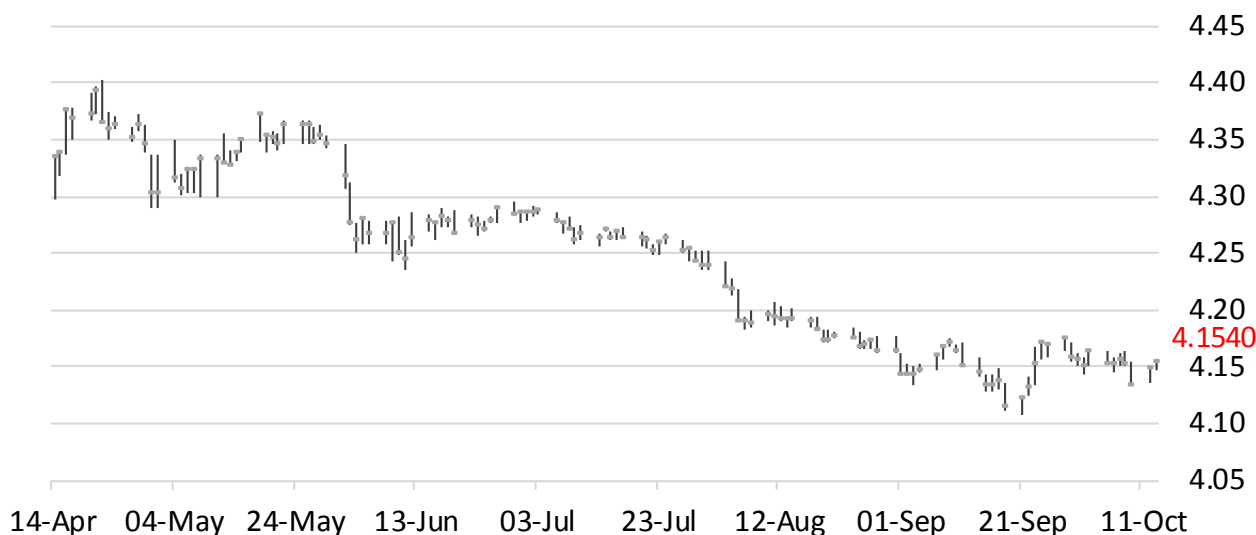


13 October 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Bearish

USD/MYR opened unchanged at 4.1485. We turned bearish on MYR today as the renewed dollar strength gained momentum this morning. The retreating risk sentiment had been spurred by an unfavourable vaccine development alongside fading optimism on US stimulus. On the local front, the new virus outbreak in Malaysia and the newly announced CMCO on certain states also pose a downside risk to the local unit.

1-Month Outlook – MYR Bearish

We are still bullish on USD/MYR over a one month horizon, expecting USD to range trade though with volatility 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	4.1250	4.1300	4.1540	4.1650	4.1800

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened little changed at 4.9001 and is expected to see neutral movement as both EUR and MYR weakened against the broader greenback. 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	4.8500	4.8825	4.9028	4.9179	4.9350

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.5% higher at 5.4194, catching up with GBP's strength overnight. Expect pair to stay within recent ranges for now ahead of today's UK job report. We are still anticipating some consolidation of GBP/USD at stretched levels.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4000	5.4167	5.4212	5.4350	5.4500

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened little changed at 2.9893 and is holding steadily ahead of China's trade data. 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.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9530	2.9720	2.9824	3.0000	3.0200

Source: Bloomberg, HLBB Global Markets Research

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