

15 May 2020

Global Markets Research
 Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Slightly bearish

USDMYR opened little changed at 4.3385 today. Daily outlook for the pair remains bullish in our view ahead of the weekend as rising US-China tension is posing a downside risk to MYR and risk aversion still dominates markets despite the modest rebound in US equity overnight.

1-Month Outlook – MYR Bearish

Medium term outlook remained bullish as we may see the USD rebound a little further up to the level 100 for DXY as markets may favour optimism in the USD from a reopened US economy even as data are poor and US cases continue to climb.

| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| USD/MYR | 4.3300 | 4.3330 | 4.3435 | 4.3550 | 4.3590 |

MYR Crosses

EUR/MYR

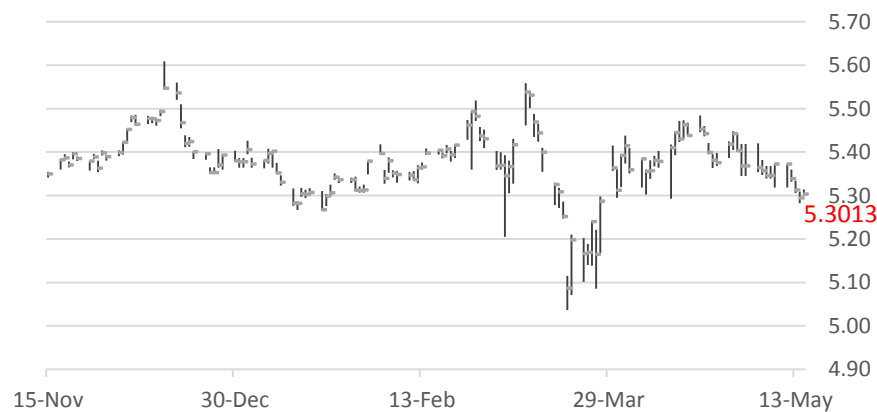


EUR/MYR Neutral

EURMYR opened little changed at 4.6889 today. Daily outlook for the pair is neutral as dollar remains strong, markets are watchful over a slew of US data tonight particularly the US retail sales number which is normally a driver for USD/EUR. We still see little risks of EUR/USD breaking the 1.08-1.10 range at the moment, and likely to remain within this range, indirectly limiting the movement in EUR/MYR cross given little impetus.

| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| EUR/MYR | 4.6735 | 4.6770 | 4.6923 | 4.7080 | 4.7110 |

GBP/MYR



GBP/MYR Neutral

GBPMYR opened 0.26% higher at 5.3082 today. Daily outlook turns neutral as the pair likely consolidates losses ahead of the weekend. Despite the reopening of the economy, we remain pessimistic regarding the GBP over its mounting Covid-19 death tolls and continuously high daily new cases.

| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| GBP/MYR | 5.2975 | 5.3005 | 5.3013 | 5.3240 | 5.3270 |

AUD/MYR



AUD/MYR Bullish

AUDMYR opened 0.57% higher at 2.8075 today as the Aussie dollar held on to yesterday's late session recovery gain. AUD/USD barely reacted to China's data. We believe that AUD/USD may correct further from its recent stretched level, partly from depressed commodity markets; this shall translate into a lower AUD/MYR in the short term. Rising US-China tension poses a significant downside risk to AUD.

| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| AUD/MYR | 2.7900 | 2.7980 | 2.8029 | 2.8230 | 2.8260 |

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