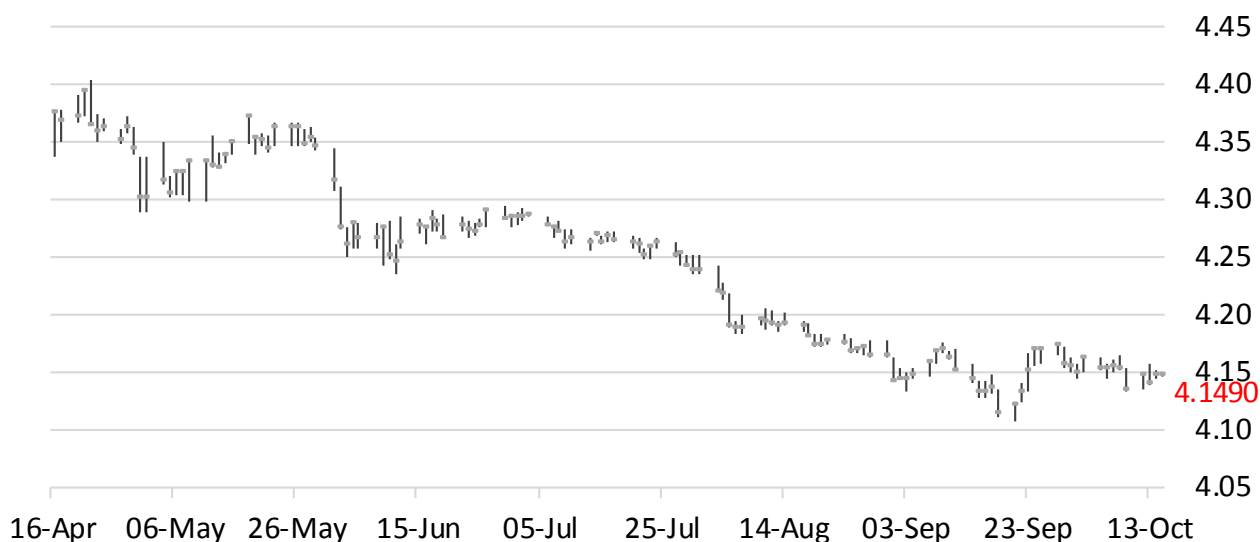


15 October 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened little changed at 4.1475. Daily outlook for the pair turns neutral following weaker USD overnight. Expect the pair to continue trading within 4.13-4.16 this week amid shifting market sentiment and a lack of major driver for now.

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	4.1490	4.1600	4.1800

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened little changed at 4.8716 and is expected continue trading on a neutral basis amid a lack of major driver. 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	4.8350	4.8609	4.8745	4.8825	4.9042

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.8% higher at 5.3974, again catching up with GBP's strength overnight. We are still anticipating some consolidation of GBP/USD at stretched levels. For now, GBP/MYR looks set to stay at circa 5.38-5.40 but is also subject to volatilities amid shifting market sentiment.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.3500	5.3794	5.3998	5.4167	5.4235

AUD/MYR



AUD/MYR Bearish

AUD/MYR opened 0.5% lower at 2.9623. Daily outlook is bearish after RBA Governor Lowe's dovish remarks when he suggested that the central bank could cut cash rate to as low as 0.1%. Despite better-than-expected Australian job data, the weakening bias still dominates especially after China's inflation numbers disappointed.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9000	2.9274	2.9591	2.9812	3.0000

Source: Bloomberg, HLBB Global Markets Research

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