

18 March 2020

Global Markets Research

Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Bearish

USD/MYR breached 4.3500 and is seen hovering around 4.3560-4.3570 this morning as general risk aversion continued to favour the greenback. The pair had been skyrocketing since Monday last week and has broken multiple resistances back to 2017 levels when the Fed undertook policy normalization. MYR is severely oversold but the renewed dollar strength suggests that there is still room to push USD/MYR higher as risk aversion remains high in our view and markets are likely to remain volatile in the near term.

1-Month Outlook – MYR Bearish

Medium term outlook remains bullish on the back of weaker oil demand and oil prices outlook amid lack of OPEC+ development, not to mention that rising global recession risk is expected to weigh down EM currencies in general.

	S2	S1	Indicative	R1	R2
USD/MYR	4.3000	4.3250	4.3570	4.3600	4.3800

MYR Crosses

EUR/MYR



EUR/MYR Bearish

EUR/MYR is down this morning after market opened as the euro more than reversed recent gains to close below 1.10 overnight. Daily outlook is bearish mainly on lower opening but concurrent weakness in both EUR and MYR in a risk-averse market points to sideways trading.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.7462	4.7722	4.7947	4.8084	4.8380

GBP/MYR



GBP/MYR Bearish

GBP/MYR is bearish after the sterling emerged as a top loser overnight amid broad-based dollar strength and concerns that British policy makers are taking a relaxed approach to combat Covid-19. Downside is however limited as MYR continues to lose out alongside EM currencies.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.2325	5.2650	5.2831	5.3030	5.3400

AUD/MYR



AUD/MYR Bearish

AUD/MYR is still bearish as AUD continues to lose ground against the dollar from already stretched levels thanks to falling oil prices and RBA's intention to launch QE. Pair was off early morning low of 2.6047 thanks to concurrent MYR weakness; focus turns to RBA tomorrow as it is expected to announce detail of the QE program, something that investors had speculated for months.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.6000	2.6047	2.6168	2.6288	2.6500

Source: Bloomberg, HLBB Global Markets Research

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