

18 May 2020

Global Markets Research
 Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR neutral to slightly bearish

USDMYR opened little changed at 4.3550 today and is seen barely moving at 4.3525 as of writing. Risk sentiment is turning weaker as the market reopened today with investors awaiting news on recent US-China politics. The renewed hostility between both countries is spurring jittery and pose as a major downside risk to MYR this week.

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	4.3435	4.3470	4.3525	4.3570	4.3595

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EURMYR opened little changed at 4.7071 today and likely to remain neutral for the day amid a lack of catalyst. With EUR/USD likely remaining at the lower end of 1.08-1.10 in the short term, there is little chances of EURMYR taking off beyond 4.7300 for now.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.7005	4.7040	4.7112	4.7160	4.7190

GBP/MYR



GBP/MYR Bearish

GBPMYR opened nearly 1% lower at 5.2584 today after the pound suffered huge losses last Friday. Short positioning was high as investors bet GBP 750bn on it, according to Bloomberg. Despite the reopening of the economy, we remain pessimistic on GBP over its mounting Covid-19 death tolls.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.2540	5.2560	5.2694	5.2725	5.2760

AUD/MYR



AUD/MYR Slightly bearish

AUDMYR opened 0.49% lower at 2.7964 today as AUD was weighed down last weekend on continued risk aversion. 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	2.7940	2.8000	2.8061	2.8170	2.8200

Source: Bloomberg, HLBB Global Markets Research

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