

19 March 2020

Global Markets Research

Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Bearish

USD/MYR sees no upper boundary, easily broke past 4.3800 this morning and is now seen at 4.3955 as the greenback turned extremely bullish alongside further retreat in global risk sentiment. Despite at being severely oversold level, chances of an MYR reversal remain thin in the short term as sentiments remain the biggest market driver; MYR is exposed to further downside risk with oil prices now dipping to 2016 lows and a frantic selling could push USDMYR past 4.4000 by the end this week.

1-Month Outlook – MYR Bearish

Medium term outlook remains bullish on expected dollar strength as markets turn to crisis mode, while crashing oil prices added extra pressure on MYR and other commodities currencies.

	S2	S1	Indicative	R1	R2
USD/MYR	4.3571	4.3734	4.3955	4.4000	4.4100

MYR Crosses

EUR/MYR



EUR/MYR Neutral

Pair is neutral as EUR/USD extended further losses to the bottom side of 1.0900 as of writing. The ECB had announced an emergency pandemic bond buying program which would lead to further EUR weakness. MYR was equally battered by the mighty strong dollar. Continue to expect sideways trading for the pair between 4.7750- 4.8000.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.7462	4.7722	4.7894	4.7960	4.8111

GBP/MYR



GBP/MYR Bearish

GBP/USD crashed this morning, losing 300pips within an hour and trading at 1.1490 as of writing, breaching past its 2016 Brexit lows. Despite concurrent MYR weakness, GBP/MYR is bearish after opening 3% lower this morning at 5.0784. Investors were particularly bearish over the UK government's handling of Covid-19 pandemic. The underfunded and under staff NHS is now stretched to a breaking point.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.0154	5.0376	5.0485	5.0674	5.0885

AUD/MYR



AUD/MYR Bearish

AUD/USD collapsed to around 0.56 just ahead of today's RBA intermeeting cash rate decision and QE detail announcement. Daily AUD/MYR outlook is bearish on much lower opening; the magnitude of RBA easing would guide today's movement although the direction is expected to be down.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.3598	2.3694	2.4358	2.5336	2.5912

Source: Bloomberg, HLBB Global Markets Research

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