

19 June 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 0.13% lower at 4.2725. We are neutral to slightly bullish on USDMYR today as weekend approaches; the sense of uncertainties surrounding second wave of Covid-19 outbreak in the US and China as well as the relation between these two countries appeared to have returned. This could weigh on the local unit in the short to medium term. Having said that, a strong market driver remains absent for now that could decisively weaken the MYR.

1-Month Outlook – MYR Neutral

We are turning neutral on medium term USDMYR outlook, expecting intermittent USD strength as markets would likely stay cautious and risk averse amid lingering concern over a second wave of virus outbreak. That said, there is no change to our long held view of a slightly weaker USD throughout 2020. Potential re-escalation of US-China strained ties may give rise to stronger USD and thus pose a downside risk to the local unit.

	S2	S1	Indicative	R1	R2
USD/MYR	4.2676	4.2703	4.2800	4.2832	4.2869

MYR Crosses

EUR/MYR

EUR/MYR neutral to slightly bearish



EURMYR opened 0.38% lower at 4.7952 and daily outlook is neutral to slightly bearish. The cross has briefly fallen below 4.80 before recovering and is likely hovering around this level ahead of the weekend given a lack of market driving force for the EUR and MYR. Continue to expect range bound movement for EUR/MYR in the short term.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.7897	4.7925	4.7975	4.8190	4.8224

GBP/MYR

GBP/MYR bearish



GBPMYR opened 0.66% lower at 5.3161, catching up with weaker GBP overnight after the BOE boosted bond buying. We maintain our long held pessimism surrounding the GBP amid lack of progress in Brexit talks, and weakening fundamentals. The risk is skewed towards the downside for sterling and GBPMYR.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.3098	5.3131	5.3190	5.3449	5.3476

AUD/MYR

AUD/MYR bearish



AUDMYR opened 0.51% lower at 2.9334 but managed to bounce back slightly in response to upbeat preliminary retail sales data. Nonetheless the boost wasn't strong enough to propel the pair back to gains, with US-China tension in play and a general retreat in risk sentiment. Daily outlook is bearish, we stick to long term view that AUD remains stretched and is poised to weaken.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9088	2.9120	2.9344	2.9385	2.9436

Source: Bloomberg, HLBB Global Markets Research

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