

20 May 2020

Global Markets Research
Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USDMYR opened 0.13% lower at 4.3475 today after closing weaker in the previous session. MYR had benefitted temporarily from a boost in risk appetite but the pair has now turned neutral in our view as risk appetites retreated and investors reassess markets following the latest fall in US and European stocks overnight. US-China tension continues to pose as a downside risk to MYR.

1-Month Outlook – MYR Bearish

Medium term USDMYR outlook remained bullish as we still expect USD to strengthen on the general uncertainty surrounding the reopening of economies across the globe when risk of new infections are still high, coupled with the ever growing hostility between the US and China which may pose risk to emerging market currencies.

	S2	S1	Indicative	R1	R2
USD/MYR	4.3321	4.3470	4.3555	4.3650	4.3725

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EURMYR opened 0.19% lower at 4.7563, and is consolidating gains after the boost on Tuesday. Daily outlook is neutral with the pair now seen trading unchanged around 4.7600. We still see limited upside to the pair given our stance that EUR/USD would stay within 1.08-1.1 in the short term.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.6973	4.7480	4.7645	4.7730	4.7840

GBP/MYR



GBP/MYR Neutral to slightly bullish

GBPMYR opened 0.19% higher at 5.3354. GBP continues to rebound on the back of USD weakness and was last consolidating its gains. We see some near-term potential for GBP to catch up after prior underperformance. Still, we remain comparatively pessimistic regarding GBP as Covid-19 remained out of control in the UK.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.3020	5.3250	5.3409	5.3620	5.3710

AUD/MYR



AUD/MYR Slight bullish

AUDMYR opened 0.11% lower at 2.8472 but has since then firmed up to above 2.85 thanks to stronger Aussie component amid a still-weak dollar environment. We believe that AUD/USD may still correct further from its recent stretched level, partly from still depressed commodity markets; this shall translate into a lower AUD/MYR. Rising US-China tension continue to pose as a significant downside risk to AUD.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.8280	2.8425	2.8505	2.8650	2.8710

Source: Bloomberg, HLBB Global Markets Research

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