

21 July 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened 0.21% lower this morning at 4.2545 after a quiet Monday. Pair is trading below 4.2600 as of writing. We stick to our view of a neutral USDMYR. MYR is still vulnerable to fragile sentiment but the dollar looks set to continue its bearish momentum for now. Barring from any major fundamental factor such as the escalation of US-China tension, the pair should still sit comfortably within 4.25- 4.29 in our view.

1-Month Outlook – MYR Neutral

No change to our neutral outlook on USDMYR, expecting intermittent USD strength as markets would likely stay cautious and risk averse amid on and off concern over the virus. 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. Dovish monetary policy outlook would also keep a lid on MYR advances although we believe USD movement will remain the major influence.

	S2	S1	Indicative	R1	R2
USD/MYR	4.2360	4.2500	4.2595	4.2642	4.2750

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened little changed at 4.8849, holding at the lower end of 4.88 as of writing. Pair is likely to hover around 4.88, awaiting development of an ongoing stimulus package negotiation. European leaders are said to be approaching a deal.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8479	4.8663	4.8807	4.8854	4.8900

GBP/MYR

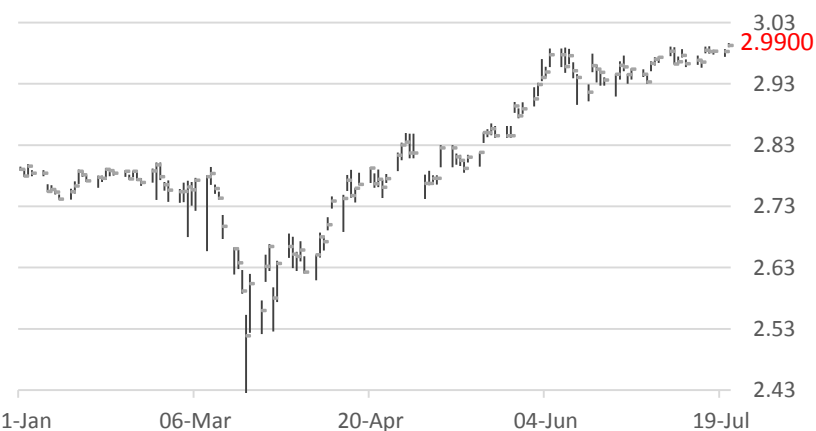


GBP/MYR Neutral

GBP/MYR opened 0.60% higher at 5.3980, catching up with GBP strength overnight. Pair is likely to stay flat today as market weighs rising UK-China tension. The UK has ended its extradition treaty with Hong Kong. In the short-to-medium term, pair is still vulnerable to weaker fundamentals, pandemic concerns and the absence of any major Brexit breakthrough.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.3514	5.3702	5.3983	5.4158	5.4275

AUD/MYR



AUD/MYR Bullish

AUD/MYR opened 0.42% higher at 2.9949 after the AUD strengthened against the USD overnight. AUD/USD continued to stay above 0.70 after RBA released its dovish meeting minutes. AUD/MYR meanwhile has breached 2.99, aiming to break the strong 3.00 resistance but was rejected at 2.9960. Sentiment remains volatile, with no decisive factor setting the course for market. 3.00 remains a difficult level to overcome.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9527	2.9763	2.9900	2.9963	3.0000

Source: Bloomberg, HLBB Global Markets Research

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