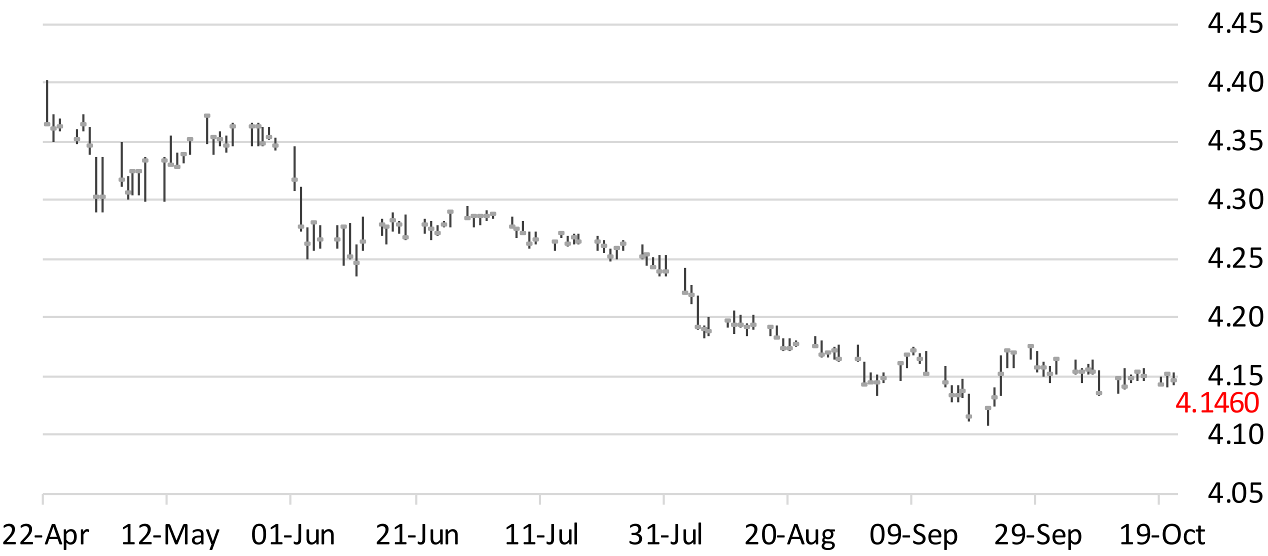
21 October 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened little changed at 4.1530 and continues to trade around its recent ranges. We remain neutral on USD/MYR this week, expecting the pair to trade at circa 4.14-4.15; within a potentially wide range of 4.13-4.17 given that USD is subject to volatility amid stimulus talks uncertainty and ahead of the US election (3 Nov) which is just around the corner.

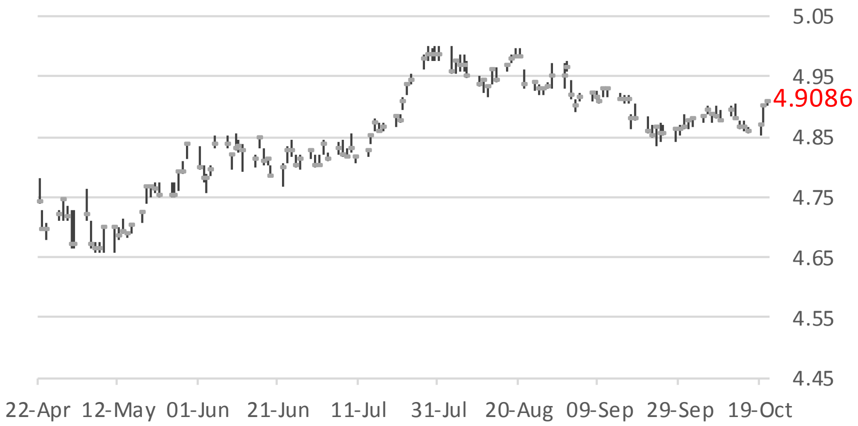
1-Month Outlook – MYR Bearish

We are still bullish on USD/MYR over a one month horizon, expecting USD to range trade though with volatility at least until November's general election. Lacklustre recovery and especially slower job growth pose downside risk to the USD, but this is outweighed by higher possibility for a USD reversal after months of weakness as well as rising volatility ahead of the election.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1250	4.1300	4.1460	4.1600	4.1800

MYR Crosses

EUR/MYR

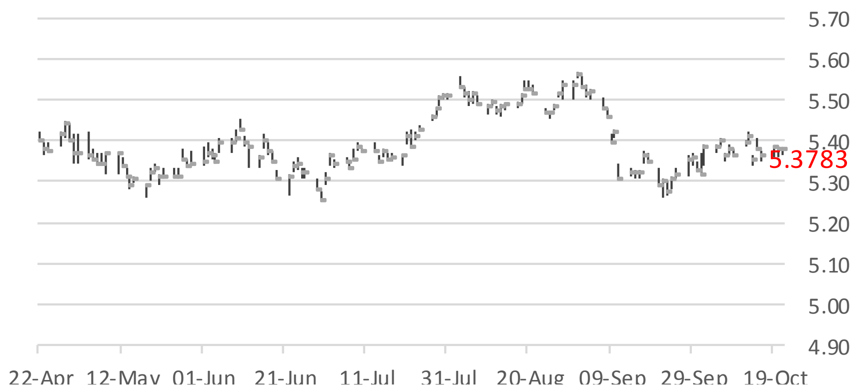


EUR/MYR Neutral to Bullish

EUR/MYR opened 0.2% higher at 4.9104. Pair has broken our expected range this week amid weaker USD as EUR/USD breached 1.18. Persistent USD weakness could driver EUR stronger this week. No change to our bearish outlook on EUR in the more medium term as we expect markets to continue trimming EUR long position coupled with poorer economic recovery prospect.

a	S2	S1	Indicative	R1	R2
EUR/MYR	4.8540	4.8823	4.9086	4.9159	4.9350

GBP/MYR



GBP/MYR Neutral-to-Slightly-Bearish

GBP/MYR opened little changed at 5.2780 after flat GBP overnight. We remain neutral to slightly bearish on GBP on Brexit event risk. The negotiation reportedly remains at an impasse after Boris Johnson suspended talks last week. We are cautious of any development/breakthrough or even breakdown and expect the pair to subject to a wide range of 5.33-5.40.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.3200	5.3450	5.3783	5.3818	5.4000

AUD/MYR

AUD/MYR Neutral

AUD/MYR opened 0.2% higher at 2.9267. Daily outlook is neutral following the down move in the previous session. In the short term, some risk aversion may weaken the AUD. AUD may also underperform over the coming week or so from expectations of further RBA rate cut as soon as November.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.8705	2.9000	2.9339	2.9558	2.9732

Source: Bloomberg, HLBB Global Markets Research

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