

22 June 2020

Global Markets Research
Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USDMYR opened 0.41% higher at 4.2850. Despite higher opening, we are neutral on USDMYR today as market grapples with the uncertainties surrounding potential second waves of Covid-19 outbreaks in the US and China.

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	4.2303	4.2332	4.2740	4.2848	4.2876

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EURMYR opened 0.34% lower at 4.7700 and daily outlook is neutral to slightly bearish. In the week ahead, EUR may be driven by PMI data, especially if there are some differential performances between the major economies. EUR may have to be defensive against a resurgent USD.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.7598	4.7625	4.7843	4.8045	4.8076

GBP/MYR



GBP/MYR Neutral

GBPMYR opened 0.76% lower at 5.2687. Daily outlook is neutral to slightly bearish in the period of USD strength. Brexit uncertainty, Covid-19 infection rates and possibly fragile fundamentals will likely continue to weigh down on the GBP

	S2	S1	Indicative	R1	R2
GBP/MYR	5.2766	5.2818	5.2895	5.3168	5.3199

AUD/MYR



AUD/MYR Neutral

AUDMYR opened 0.85% lower at 2.9107 but is seen regaining momentum after the PBOC kept its 1-year loan prime rate unchanged at 3.85%. Daily outlook is neutral as some correction may be ahead. AUDUSD remains much higher than 50, 100 and 200 day averages, so there may exist some pressure for a near-term retreat to 0.6551-0.6665. Still, AUD has now looking quite balanced in terms of both its bullish and bearish signs.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9034	2.9070	2.9312	2.9505	2.9539

Source: Bloomberg, HLBB Global Markets Research

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