

23 July 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to Slightly Bullish

USD/MYR opened little changed at 4.2515 following a more muted sell-off in the greenback overnight. The pair traded as low as 4.2485 before bouncing back to show little change from the opening level as of writing. Daily outlook for USDMYR is neutral to slightly bearish in our view. MYR is still vulnerable to fragile sentiment but the dollar looks set to continue its bearish momentum. Barring any major fundamental factor such as the escalation of US-China tensions, we expect the pair to head towards 4.2450 - 4.2480 after broken the 4.2530 support yesterday.

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 | 4.2450 | 4.2515 | 4.2575 | 4.2610 |

MYR Crosses

EUR/MYR



EUR/MYR Slightly Bullish

EUR/MYR opened 0.18% higher at 4.9118, and has climbed further up to 4.9184 as of writing. Pair is likely slightly bullish on expectations of continuous EUR strength, having holding well above the key 1.15 handle following the landmark stimulus package deal and prospects of extended USD weakness.

| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| EUR/MYR | 4.8960 | 4.9070 | 4.9184 | 4.9240 | 4.9360 |

GBP/MYR



GBP/MYR Neutral to Slightly Bullish

GBP/MYR opened 0.47% higher at 5.4124, amid overnight GBP gains. The pair was seen holding little changed at 5.4117 as of writing. We expect the pair to stay neutral with a bullish bias following the higher opening. 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 | 5.3730 | 5.3800 | 5.4117 | 5.4272 | 5.4366 |

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened marginally higher by 0.06% at 3.0349 on continuous rally in the Aussie overnight. Daily outlook of the pair is neutral on expectations of further gains in both the AUD and MYR. That said, the pair will remain highly susceptible to swing in market sentiments.

| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| AUD/MYR | 2.9940 | 3.0080 | 3.0334 | 3.0468 | 3.0524 |

Source: Bloomberg, HLBB Global Markets Research

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