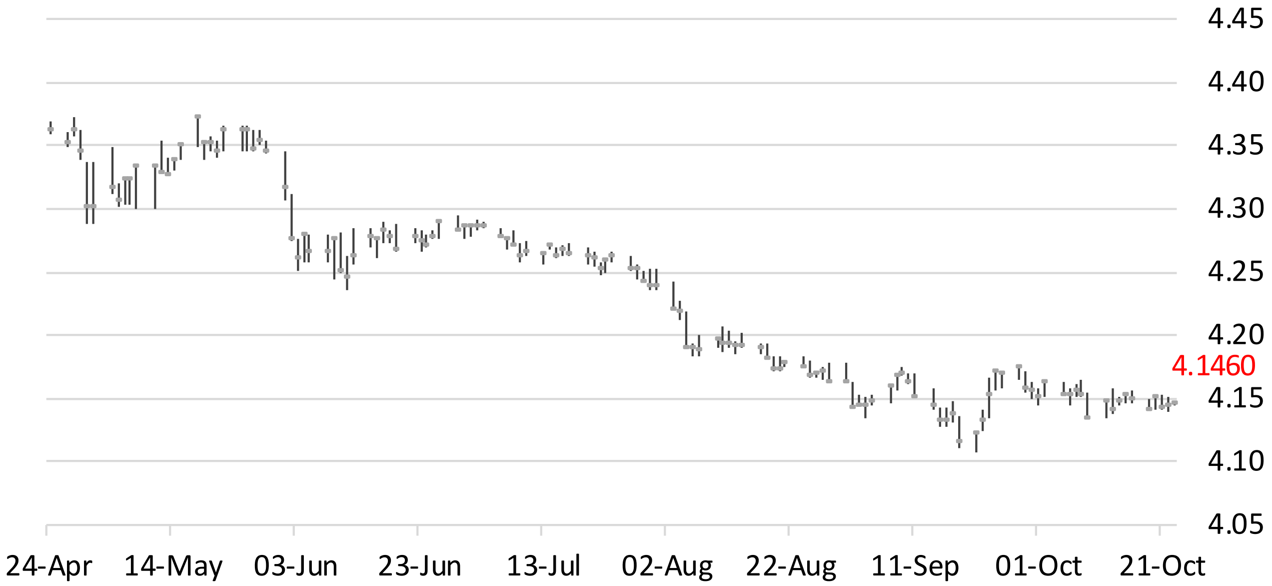
23 October 2020

Global Markets Research
Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to Bearish

USD/MYR opened little changed at 4.1450. The USD had rebounded overnight on the back of strong US data. we are neutral to bullish on the pair today ahead of the weekend as markets eye stimulus talks and US presidential debate; USD is still subject to volatility and ahead of the US election (3 Nov) which is just around the corner.

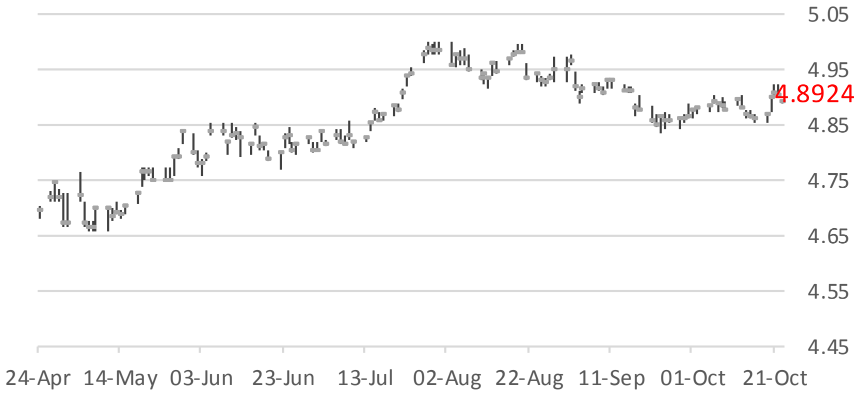
1-Month Outlook – MYR Bearish

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

EUR/MYR opened 0.2% lower at 4.8965. EUR/USD has retreated from recent high but hovering at 1.18 as of writing amid a resurgence of USD. Daily outlook is neutral for now on the back of cautious sentiment. 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	4.8798	4.8924	4.9159	4.9350

GBP/MYR

GBP/MYR Neutral

GBP/MYR opened 0.2% lower at 5.4202 after the sterling retreated from the recent Brexit rally. Talks have resumed this week however some reversal disappointments may push the pair down again; we are cautious of any development/breakthrough or even breakdown, hence expect the pair to be subjected to volatility.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.3798	5.3979	5.4174	5.4314	5.4500

AUD/MYR

AUD/MYR Neutral to Bullish

AUD/MYR opened 0.3% higher at 2.9540. Daily outlook is neutral to bullish as AUD/USD remains above 0.71, aided by positive Australia PMI. In the short term, we fear that 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	2.9167	2.9350	2.9518	2.9728	2.9960

Source: Bloomberg, HLBB Global Markets Research

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