

24 July 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to Slightly Bearish

USD/MYR opened slightly higher by 0.04% at 4.2610 on overall risk aversion despite an overnight weakness in the USD. The pair has since been trading in a super tight range of 4.2575-4.2610 up till time of writing. Despite protracted USD weakness, MYR is expected to remain neutral to slightly bearish today ahead of the weekend. Swing in market sentiments will remain a major influence to the pair's fate. While the downward trajectory in the pair is interjected temporarily, the pair is still expected to head towards 4.2450 - 4.2480, as early as next week.

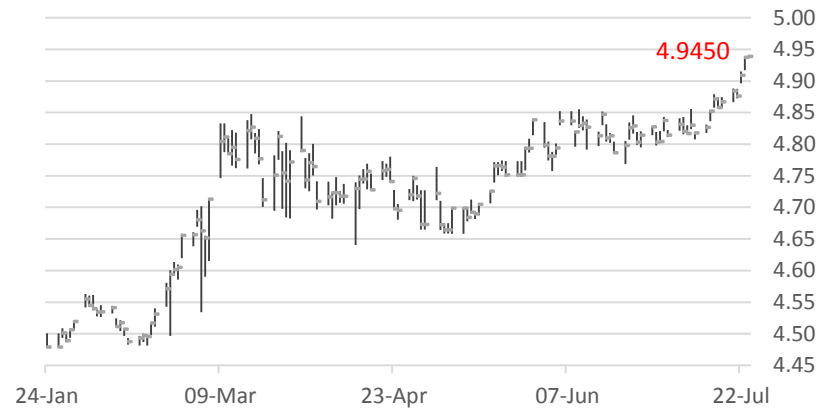
1-Month Outlook – MYR Neutral

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	4.2450	4.2480	4.2585	4.2610	4.2630

MYR Crosses

EUR/MYR



EUR/MYR Bullish

EUR/MYR opened 0.03% higher at 4.9391, and has climbed further up to 4.9469 as of writing. Pair is expected to stay bullish today on expectations of continuous EUR strength. We would however like to caution that stretched EUR levels may prompt some correction in EURMYR near term.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8870	4.9080	4.9450	4.9594	4.9664

GBP/MYR



GBP/MYR Bullish

GBP/MYR opened 0.21% higher at 5.4223, amid overnight GBP gains. The pair has since climbed further up to 5.4317 as of writing. Daily outlook of the pair is bullish in our view following the higher opening and expectations for a weaker MYR. 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	5.4000	5.4175	5.4302	5.4410	5.4587

AUD/MYR



AUD/MYR Bearish

AUD/MYR opened markedly lower by 0.59% at 3.0236 even though Aussie was seen sustaining well above the 0.71 handle. The pair has since pared some of the losses and is trading at 3.0303 at time of writing. Daily outlook is bearish on lower opening but we expect the pair to continue narrow losses later in the day. Again, the pair will remain highly susceptible to swing in market sentiments.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0132	3.0165	3.0289	3.0388	3.0417

Source: Bloomberg, HLBB Global Markets Research

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