

24 September 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Bearish

USD/MYR opened 0.1% higher at 4.1573 and has surged above 4.1700 as of writing, eyeing 4.18 next. This comes after the USD continued to firm up while sentiment remains cautious in general, not to mention the renewed political uncertainty on the domestic front. Tomorrow's FTSE Russell announcement remains a key event risk.

1-Month Outlook – MYR Neutral

We see limited gains in MYR against rebounding USD. Anchored expectations in Malaysia's overnight policy rate will likely limit against excessive gains. The economy also needs to improve further to support further MYR strength. We are looking to review our one-month outlook pending the announcement from FTSE Russell tomorrow morning.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1405	4.1510	4.1715	4.1800	4.2000

MYR Crosses

EUR/MYR



EUR/MYR Neutral to Bearish

EUR/MYR opened 0.5% lower at 4.8425, but managed to reverse the down move to near 4.87 thanks to weaker MYR. No change to our bearish outlook in EUR in the more medium term over expectation that the long EUR position could be trimmed down further. Recently higher cases in Europe also trigger renewed concerns of stricter social distancing rules which could hamper the weak recovery especially in the services sector.

a	S2	S1	Indicative	R1	R2
EUR/MYR	4.8150	4.8300	4.8680	4.8837	4.9159

GBP/MYR



GBP/MYR Bearish

GBP/MYR opened little changed at 5.2803; as GBP stabilized after the recent losses whereas most major currencies weakened. No change to our view that GBP is bearish in the short and more medium term on the back of Brexit uncertainties and poor recovery prospect. The UK has recorded its highest single-day new cases, which could trigger more containment measures on the part of the government.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.2494	5.2632	5.3108	5.3187	5.3350

AUD/MYR



AUD/MYR Neutral to Bearish

AUD/MYR opened 0.9% lower at 2.9352 on the back of poor global sentiment and still-weak oil prices. Firmer USD is likely to weigh on AUD in the short term. Nonetheless, RBA has remained optimistic over recovery outlook, thus an improvement of global risk sentiment could see another upward reversal in the more medium term.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9000	2.9300	2.9449	2.9800	3.0000

Source: Bloomberg, HLBB Global Markets Research

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