

25 June 2020

Global Markets Research
Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Bearish

USDMYR opened 0.23% higher at 4.2820. We turned bullish on USDMYR today as the pair is likely to catch up with the rebound in USD strength overnight. As expected, downside risk in the form of potential second wave of Covid-19 outbreak in the US and other countries is materializing, turning the tides of sentiment and giving rise to the USD.

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 | 4.2690 | 4.2728 | 4.2795 | 4.2865 | 4.2898 |

MYR Crosses

EUR/MYR



EUR/MYR neutral to slightly bearish

EURMYR opened 0.26% lower at 4.8161 and daily outlook is neutral to slightly bearish in view of renewed USD weakness. This is line with recent expectation that EUR may have to be defensive if the USD rebounds.

| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| EUR/MYR | 4.7864 | 4.7900 | 4.8125 | 4.8182 | 4.8209 |

GBP/MYR

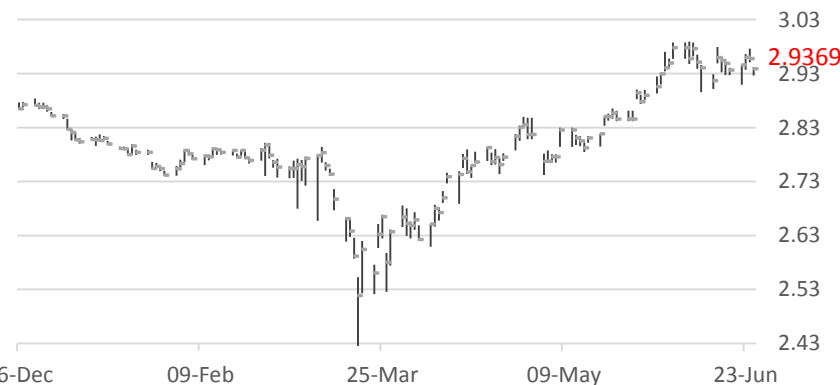


GBP/MYR neutral to slightly bearish

GBPMYR opened 0.54% lower at 5.3140 and daily outlook is neutral to slightly bearish as the pair lightly weakens amid cautious sentiment. 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 | 5.2767 | 5.2800 | 5.3119 | 5.3170 | 5.3204 |

AUD/MYR



AUD/MYR neutral to slightly bearish

AUDMYR opened 0.76% lower at 2.9348 and daily outlook is neutral to slightly bearish after a much lower opening. Momentum is weakening for AUD as positive signs fade. Retreating risk sentiment and reversal in commodity market are expected to drive down AUD in the short term.

| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| AUD/MYR | 2.9056 | 2.9091 | 2.9369 | 2.9411 | 2.9458 |

Source: Bloomberg, HLBB Global Markets Research

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