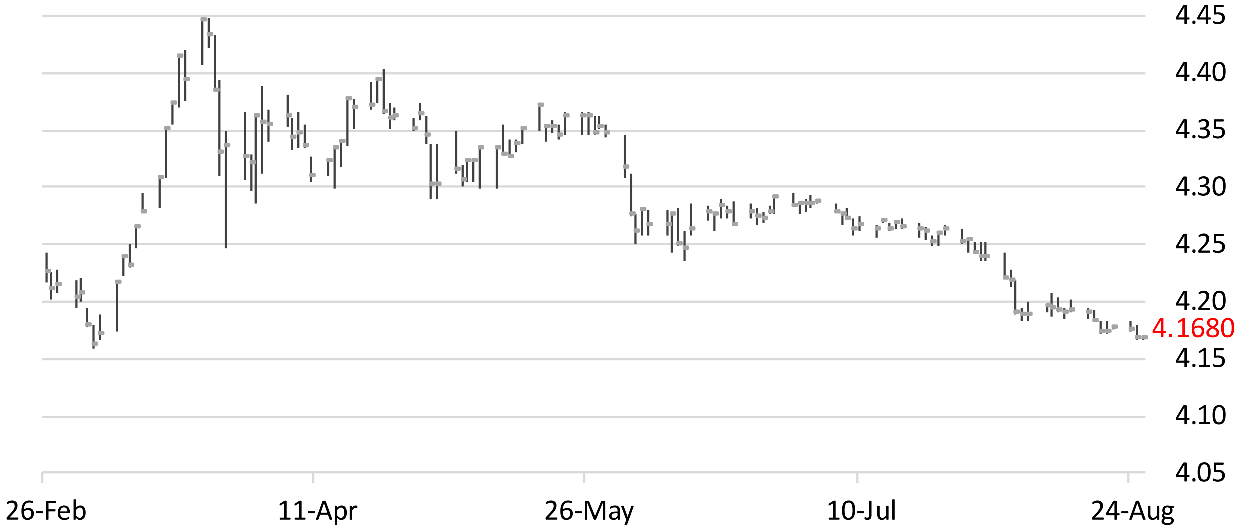
26 August 2020

# Global Markets Research
# Mid-day Currency Outlook

## USD/MYR




*Source: Bloomberg, HLBB Global Markets Research*

**Intraday Thoughts – MYR Neutral**

USD/MYR opened little changed at 4.1670. USD/MYR currently remains at oversold level. We remain biased towards neutral to slight bearishness in the MYR this week, expecting some consolidations. We are still eyeing a range of 4.16-4.20 for USDMYR. All eyes are on Powell's speech on Thursday.

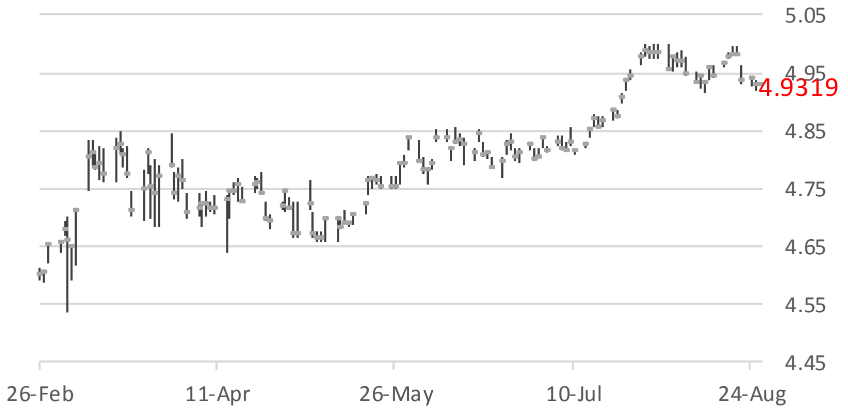
**1-Month Outlook – MYR Neutral to slightly bearish**

We turned slightly bearish on MYR, anticipating a rebound in the USD after staying at low levels for weeks. The DXY is stretched and is now at more-than-two-year low. There are reasons to be wary of the ongoing stock market optimism- low treasury yields and the bullish gold tells us that some manner of risk aversion remains in the market. A shift in sentiment would trigger and hasten a dollar comeback.

| | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| USD/MYR | 4.1500 | 4.1600 | 4.1680 | 4.1846 | 4.2000 |

## MYR Crosses

### EUR/MYR




**EUR/MYR Neutral**

EUR/MYR opened little changed at 4.9306. We remain neutral on the pair as EUR/USD failed to capitalise much on upbeat German data on Tuesday as well as weaker USD. Focus remains on Powell's speech on Thursday. This shall keep EUR/MYR above 4.90 in the short term.

| | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| EUR/MYR | 4.8960 | 4.9172 | 4.9319 | 4.9445 | 4.9567 |

### GBP/MYR


**GBP/MYR Neutral**

GBP/MYR opened 0.22% higher at 5.4788, catching up with the rally in GBP overnight. Daily outlook is neutral, expecting the pair to be confined within 5.45-5.50 amid a lack of key driver. GBP/USD remains at stretched level and may consolidate in the short term. Pair is very much dollar driven (Powell's speech) in the absence of Brexit headlines/ progress.

| | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| GBP/MYR | 5.4400 | 5.4480 | 5.4796 | 5.5000 | 5.5150 |

### AUD/MYR


**AUD/MYR Neutral**

AUD/MYR opened 0.41% higher at 2.9992 after stronger AUD overnight. The pair continues to trade within recent ranges despite positive US-China trade development. AUD/USD is at stretched level; we maintain view that AUD/MYR could consolidate in the short term.

| | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| AUD/MYR | 2.9500 | 2.9749 | 3.0019 | 3.0112 | 3.0300 |

*Source: Bloomberg, HLBB Global Markets Research*

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