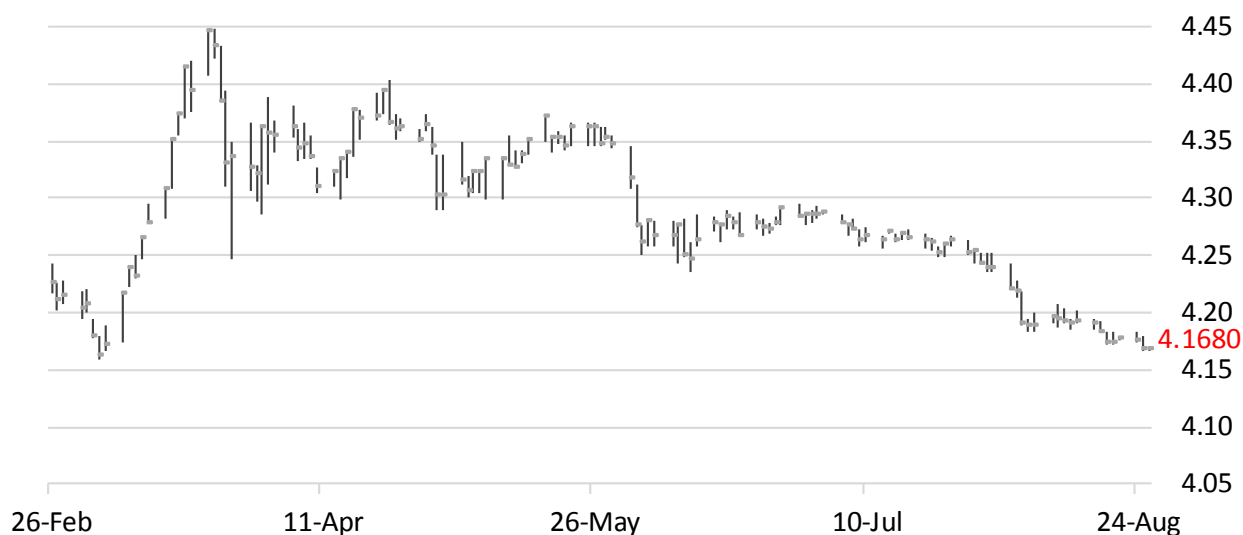


26 August 2020

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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