

27 May 2020

## Global Markets Research

### Mid-day Currency Outlook

#### USD/MYR



Source: Bloomberg, HLBB Global Markets Research

#### Intraday Thoughts – MYR Slightly bullish

USDMYR opened 0.2% lower at 4.3540 and is now trading little changed at 4.3590. Outlook for MYR was slightly bullish taking cue from weaker USD overnight amid a broad-based improvement in risk sentiment; US-China tension that could still escalate from Washington's response to China's new Hong Kong security law, and pose a major downside risk to the local unit.

#### 1-Month Outlook – MYR Bearish

Medium term USDMYR outlook remained bullish as we still expect USD to strengthen on the general uncertainty surrounding the reopening of economies across the globe when risk of new infections are still high, coupled with the ever growing hostility between the US and China which may pose risk to emerging market currencies.

|         | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| USD/MYR | 4.3540 | 4.3570 | 4.3590     | 4.3790 | 4.3820 |

## MYR Crosses

### EUR/MYR



### EUR/MYR Neutral

EURMYR opened 0.8% higher at 4.7894 but appeared to be unfazed by stronger EUR overnight. Daily outlook is neutral, as EURUSD eased back below 1.10, in line with our expectation that EURUSD would most probably stay within 1.08-1.10 big figures in the short term.

|         | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| EUR/MYR | 4.7575 | 4.7610 | 4.7777     | 4.7835 | 4.7870 |

### GBP/MYR



### GBP/MYR Neutral

GBPMYR opened 1.2% higher at 5.3798 and rebounded from early morning's low of 5.3540. The pair should hover around this level for today's session given a lack of driver, but we still see some near-term potential for GBP to catch up after prior underperformance. Still, we remain comparatively pessimistic regarding GBP as Covid-19 remained out of control in the UK.

|         | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| GBP/MYR | 5.3505 | 5.3540 | 5.3714     | 5.3760 | 5.3790 |

### AUD/MYR



### AUD/MYR Slightly bullish

AUDMYR opened 1.9% higher at 2.8994, concurrent with the surge in AUDUSD to a high of 0.6658 today which had since then retreated. Nonetheless AUDUSD continues to stay at elevated levels, benefitting from risk on mood, supporting the case for a correction after being at stretched level, partly from still-depressed commodity markets and rising US-China tension.

|         | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| AUD/MYR | 2.8770 | 2.8800 | 2.8966     | 2.9005 | 2.9035 |

Source: Bloomberg, HLBB Global Markets Research

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