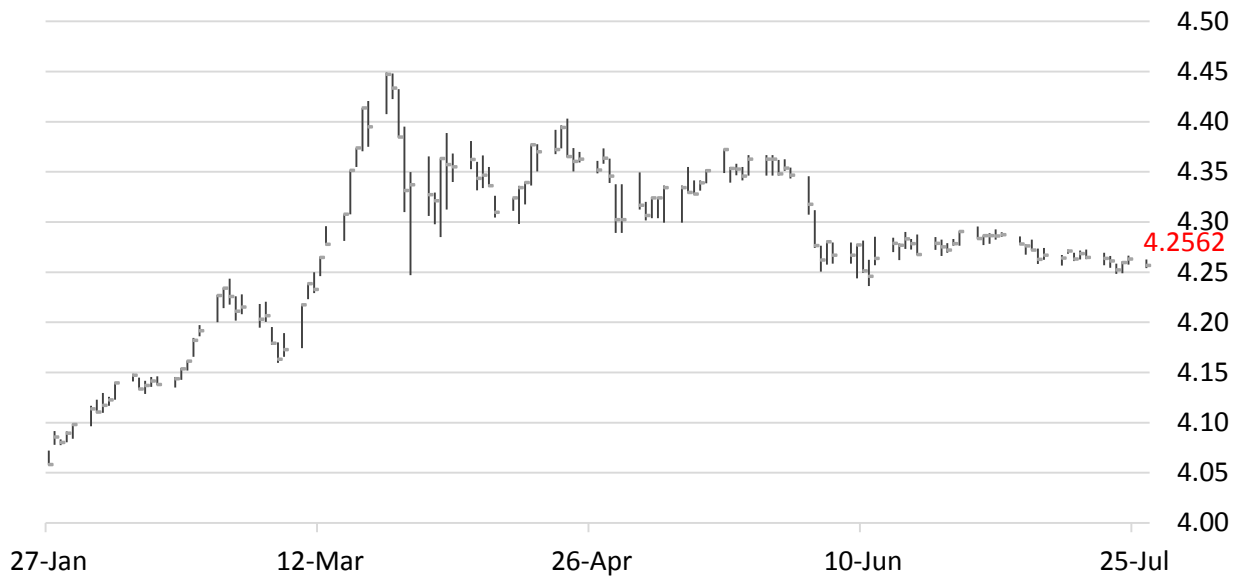


27 July 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened 0.11% lower at 4.2585. MYR outlook is largely neutral this week, likely in the range of 4.24-4.27 in anticipation of overall risk aversion in the markets. While the downward trajectory in the pair appears to be interjected temporarily, the pair is still expected to test 4.2450- 4.2480 this week. USD movement and shift in risk sentiments as well as the possible imposition of a second lockdown will remain a key determinant for MYR fate.

1-Month Outlook – MYR Neutral

No change to our neutral outlook on USDMYR, expecting intermittent USD strength as markets would likely stay cautious and risk averse amid on and off concern over the virus. 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. Dovish monetary policy outlook would also keep a lid on MYR advances although we believe USD movement will remain the major influence.

	S2	S1	Indicative	R1	R2
USD/MYR	4.2360	4.2500	4.2562	4.2727	4.2908

MYR Crosses

EUR/MYR



EUR/MYR Bullish

EURMYR opened 0.45% higher at 4.9662. Daily outlook is bullish thanks to persisting dollar weakness. Momentum is bullish as EUR remains favoured even as risk aversion climbed, due to more confidence in policy making and economic rebound.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.9000	4.9500	4.9758	4.9790	4.9800

GBP/MYR

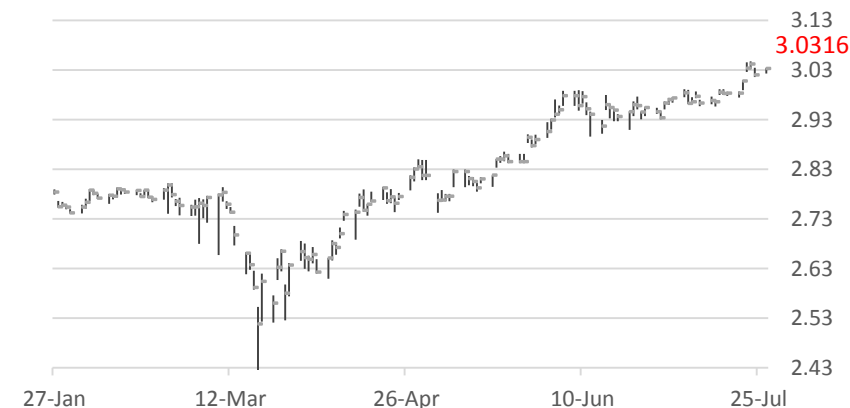


GBP/MYR Neutral

GBPMYR opened 0.49% higher at 5.4543 as GBP gained alongside EUR on Friday amid dollar weakness. In the short-to-medium term, Brexit news (if any developments) may shift near-term sentiments. Data may not move GBP as much, unless there are significant surprises.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4000	5.4190	5.4593	5.4843	5.5000

AUD/MYR



AUD/MYR Neutral

AUDMYR opened 0.2% higher at 3.0252. Sentiment remains volatile, with no decisive factor setting the course for market for now. There is risk of some correction due to profit taking. In the week ahead, CPI and PPI prints may provide clues to whether RBA needs to watch out for secondary concerns.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9781	3.0000	3.0316	3.0470	3.0500

Source: Bloomberg, HLBB Global Markets Research

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