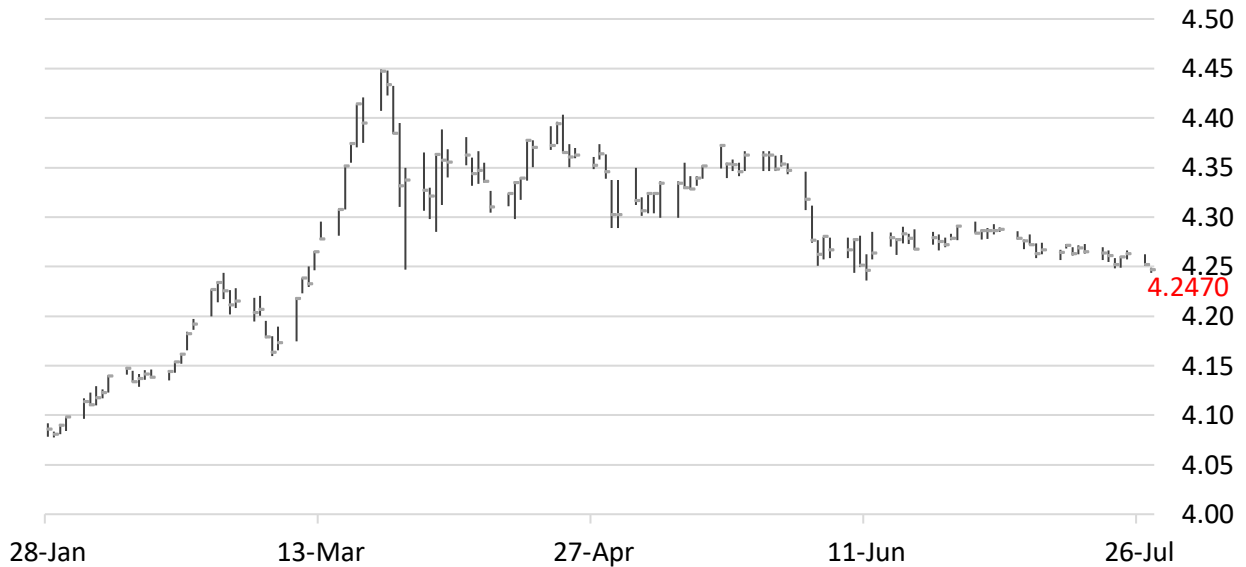


28 July 2020

**Global Markets Research**  
**Mid-day Currency Outlook**

**USD/MYR**



Source: Bloomberg, HLBB Global Markets Research

**Intraday Thoughts – MYR Neutral to slightly bullish**

USD/MYR opened 0.16% lower at 4.2450. Our neutral outlook is at risk today as the pair is vulnerable to ongoing USD weakness even ahead of the FOMC meeting. An upbeat reading of Conference Board’s Consumer Confidence Index slated for tonight’s release could shift short term sentiment. Pair is likely staying 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 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.

|         | <b>S2</b> | <b>S1</b> | <b>Indicative</b> | <b>R1</b> | <b>R2</b> |
|---------|-----------|-----------|-------------------|-----------|-----------|
| USD/MYR | 4.2360    | 4.2400    | 4.2470            | 4.2581    | 4.2696    |

## MYR Crosses

### EUR/MYR

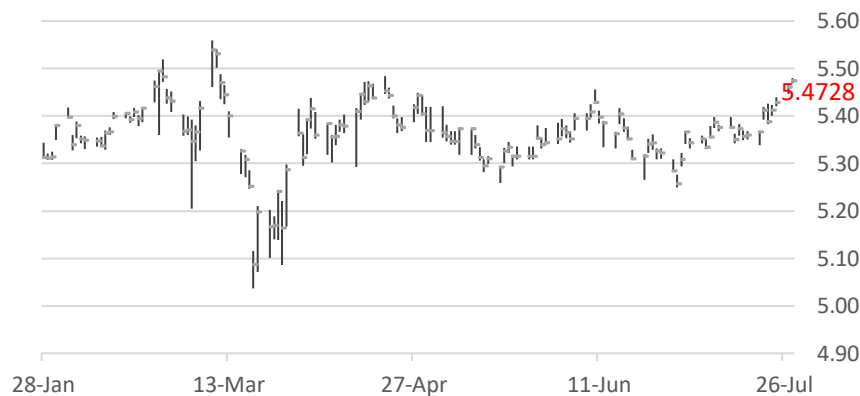


### EUR/MYR Neutral

EUR/MYR opened 0.35% higher at 4.9952. Daily outlook is neutral as the pair is prone to correction at an overbought level. Pair is vulnerable to a shift in sentiment that would rejuvenate the dollar. The Fed's policy stance and rising US-China tension are key market drivers. US Conference Board Consumer Sentiment due tonight could also present a risk to the bullish EUR/USD pair.

|         | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| EUR/MYR | 4.9291 | 4.9630 | 4.9933     | 5.0000 | 5.0100 |

### GBP/MYR



### GBP/MYR Neutral

GBP/MYR opened 0.22% higher at 5.4716, as GBP strengthened overnight. In the short-to-medium term, Brexit news (if any major developments) may shift near term sentiment. Data may not move GBP as much, unless there are significant surprises.

|         | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| GBP/MYR | 5.4394 | 5.4557 | 5.4728     | 5.4843 | 5.5000 |

### AUD/MYR



### AUD/MYR Neutral

AUD/MYR opened 0.31% higher at 3.0381. Daily outlook is neutral and is prone to correction at stretched level due to profit taking. Tomorrow morning's CPI data could drive market and may provide clues to whether RBA needs to watch out for secondary concerns. The headline annual CPI growth is expected to be at -0.5% (1Q: +2.2%). The RBA's inflation target is 2-3%.

|         | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| AUD/MYR | 2.9887 | 3.0107 | 3.0430     | 3.0472 | 3.0500 |

Source: Bloomberg, HLBB Global Markets Research

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