

28 October 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to Bearish

USD/MYR opened unchanged this morning and have climbed higher to 4.1705 at time of writing. Daily outlook for USD/MYR is neutral to bullish amid cautious sentiments in the market amid lingering event risks. The pair is on track to test the 4.1700-4.1760 ranges in our view, with BNM MPC meeting and domestic political noises, US stimulus talks and upcoming election jitters remaining as the key influences for the pair in the near term.

1-Month Outlook – MYR Bearish

We are still bullish on USD/MYR over a one-month horizon, expecting USD to range trade though with volatility at least until November's general election. Lacklustre recovery and especially slower job growth pose downside risk to the USD, but this is outweighed by higher possibility for a USD reversal after months of weakness as well as rising volatility ahead of the election.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1485	4.1540	4.1705	4.1740	4.1760

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened 0.23% lower at 4.9102 and was seen edging up. EUR/USD has lost its 1.18 handle and is subject to ECB policy meeting rhetoric although we continue to expect slight bullishness in the EUR as the USD turns. Daily outlook for EUR/MYR remains neutral for now on the back of lingering risk aversion in the markets.

a	S2	S1	Indicative	R1	R2
EUR/MYR	4.9010	4.9089	4.9151	4.9368	4.9414

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.14% higher at 5.4306 and continued pushing higher. We are neutral with a slight bullish tilt on the pair today as the sterling appeared to be holding well above 1.30. We remain cautious of any development/ breakthrough or even breakdown, that could exert downward pressure on the pair.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4030	5.4115	5.4343	5.4405	5.4500

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened little changed at 2.9678 and has since climbed higher in line with other major MYR crosses. Aussie spiked following the release of slightly quicker than expected rebound in 3Q CPI, offering a bullish bias in AUD/MYR. That said, daily outlook is still neutral as we expect overall sentiments to stay cautious. AUD is still susceptible to downward pressure from expectations of further RBA rate cut as soon as November.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9494	2.9577	2.9724	2.9774	2.9869

Source: Bloomberg, HLBB Global Markets Research

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hlbb.hongleong.com.my

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