

30 June 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to slightly bearish

USDMYR opened little changed at 4.2850. We are neutral to slightly bullish on USDMYR today as investors are likely to adopt a wait-and-see approach to assess the current Covid-19 situation in major countries. This week's slew of economic data would also serve as market driver with the FOMC meeting minute, Powell's testimony also in the pipeline. Downside risk to MYR remains from potential second waves in key economies, US-China tension and downbeat commodity market, on top of rating downgrade concerns.

1-Month Outlook – MYR Neutral

We are turning neutral on medium term USDMYR outlook, expecting intermittent USD strength as markets would likely stay cautious and risk averse amid lingering concern over a second wave of virus outbreak. 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.

	S2	S1	Indicative	R1	R2
USD/MYR	4.2733	4.2760	4.2800	4.2868	4.2897

MYR Crosses

EUR/MYR



EUR/MYR neutral to slightly bearish

EURMYR opened 0.21% lower at 4.8176 and daily outlook is neutral and slightly bearish amid cautious sentiment. Markets continued to weigh stronger dollar resurgence although risk sentiment is improving overnight as seen in US equities. Economic data, Powell's speech and development of Covid-19 situation across Europe and US remain key drivers.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.7889	4.7928	4.8111	4.8169	4.8201

GBP/MYR



GBP/MYR neutral to slightly bearish

GBPMYR opened 0.19% lower at 5.2734, catching up overnight's weakness. Brexit negotiations had resumed in Brussel and there are expectations that some progress could be achieved this round. Pandemic situation in the UK remains the main driver and the final 2Q GDP reading is out later today. In the medium term, Brexit uncertainty, and fragile fundamentals will likely continue to pressure GBP.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.2329	5.2354	5.2646	5.2716	5.2739

AUD/MYR



AUD/MYR neutral

AUDMYR opened little changed at 2.9439 and is off intra-day low in response to upbeat China's official PMIs. Daily outlook is neutral as we reckon sentiment remains cautious. Momentum is still weakening for AUD as positive signs fade. Further consolidation is expected. Downbeat commodity market outlook remains a key driver.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9216	2.9241	2.9432	2.9489	2.9513

Source: Bloomberg, HLBB Global Markets Research

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