

30 July 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Slightly bullish

USD/MYR opened at 4.2350 this morning but managed to rebound back to level above 4.24 as of writing. We turned slightly bearish on daily outlook after the dollar continued to weaken in response to dovish Fed’s statement and bearish outlook. The pair is likely to test 4.2350-4.2400 throughout the session but investors are likely to hold back ahead of a long Malaysian weekend and tonight’s US GDP data. USD movement and shift in risk sentiments will remain a key determinant for MYR fate in the short-to-medium term.

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	4.2350	4.2400	4.2420	4.2523	4.2653

MYR Crosses

EUR/MYR



EUR/MYR Bullish

EUR/MYR opened 0.28% higher at 4.9986, catching up with the overnight gains in the EUR/USD pair as dollar weakened further post-FOMC. Daily outlook is bullish as the pair attempts to retest 5.0 resistance. Some correction is due at an overbought level. Pair is vulnerable to a shift in sentiment that would rejuvenate the dollar.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.9291	4.9630	4.9945	5.0000	5.0100

GBP/MYR

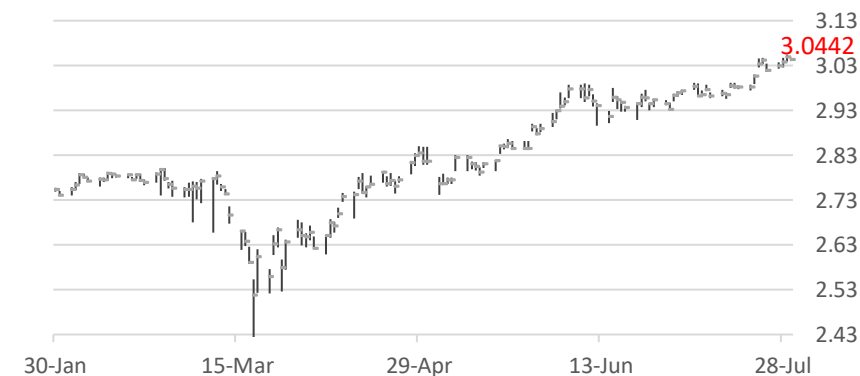


GBP/MYR Bullish

GBP/MYR opened little changed at 5.5070. GBP momentum remains strong for now alongside EUR as dollar remains pressured. GBP/MYR is almost overbought but there is still some room for gains in the short term. Similarly, pair is vulnerable to a potential rebound in USD if sentiment shifts. 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	5.4570	5.4843	5.5070	5.5189	5.5307

AUD/MYR



AUD/MYR Neutral to slightly bullish

AUDMYR opened 0.2% lower at 3.0430. Daily outlook is neutral to slightly bullish. Pair has now stayed above 3.00 for the eighth consecutive session, is prone to correction at stretched levels. There is no major driver setting the course but any US-China outburst could reverse recent gains.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9921	3.0141	3.0442	3.0476	3.0540

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**DISCLAIMER**

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