

2 December 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to Bullish

USD/MYR opened 0.3% lower at 4.0685 and managed to climb above 4.07 as of writing. The pair remains below 4.08, indicating weak momentum. The broad-based USD weakness overnight looks set to benefit MYR, pushing the pair lower. We maintain a weekly range of 4.05-4.10 for now.

1-Month Outlook – MYR Bullish

We turn bearish on USD/MYR on a one-month basis after Joe Biden’s presidential victory paves way for a weaker dollar; a Biden Administration is expected to return the US executive branch to normalcy and eliminate any abrupt decisions on both the domestic and international fronts that so often characterized the Trump Presidency for the past four years. The Fed’s sustainably accommodative policy coupled with weak recovery outlook alongside high unemployment rate are also expected to weigh on the greenback as we head into the end of 2020.

	S2	S1	Indicative	R1	R2
USD/MYR	4.0500	4.0600	4.0720	4.0900	4.1000

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened 0.8% higher at 4.9229, breaking away from the recently tight ranges following the rally in EUR/USD overnight. Pair is likely to stabilise after the sharp move, potentially staying above 4.90 in the short term. Eurozone fundamentals remain weak as evident in recent pull-back in PMI and negative inflation which led to speculations that the ECB might add stimulus.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8822	4.9000	4.9168	4.9350	4.9500

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.2% higher at 5.4741 after the GBP strengthened alongside the majors overnight, on the back of weak dollar and partly attributed to some Brexit optimism. Nonetheless, uncertainties persist given that headlines were generally mixed. We monitor any developments for further guidance.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4330	5.4482	5.4648	5.4746	5.4870

AUD/MYR



AUD/MYR Neutral to Bullish

AUD/MYR opened 0.3% higher at 3.0101, catching up with overnight movement. Australia 3Q GDP growth beat expectations, thus likely to give the pair some boosts today; a strong MYR however is expected to cap the gain. In the short-to-medium term, recent trade skirmishes with China may continue to weigh. Australia's trade and retail sales data are up next and may shape market movement.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9785	2.9950	3.0048	3.0180	3.0250

Source: Bloomberg, HLBB Global Markets Research

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