9 December 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR

Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened marginally lower at 4.0680 today and has since been see-sawing between here and the 4.07 levels. We are neutral on the pair today amid growing signs of consolidation in the USD. The USD will likely continue with its attempts to rebound, hence keeping the pair within current ranges. Technically, momentum indicator has also turned neutral, suggesting some sideway trading before further down move.

1-Month Outlook – MYR Bullish

We are bearish on USD/MYR on a one-month basis. The MYR appears to be quick in regaining its footing from the knee-jerk selloffs following the rating downgrade decision by Fitch. The pair will also be driven down by expectation for a weaker USD following a clearer political situation amid a Joe Biden's victory. 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	4.0710	4.0790	4.0860

MYR Crosses

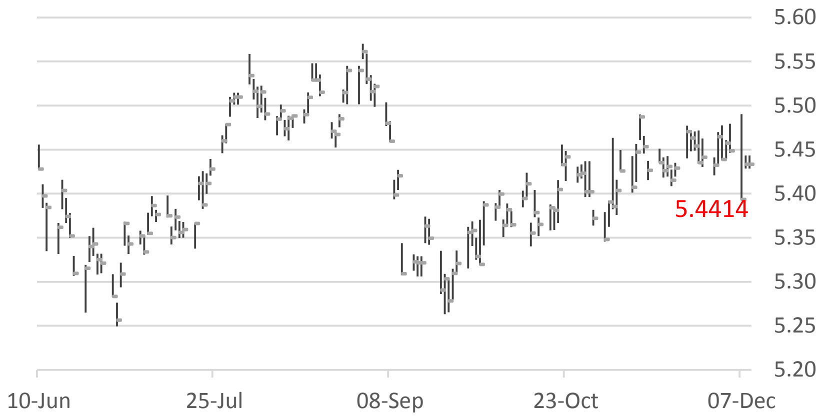
EUR/MYR

EUR/MYR Neutral to Bullish

EUR/MYR opened 0.16% lower at 4.9307 but was seen hovering at 4.9321 at time of writing. Momentum for the pair remains bullish albeit softer, suggesting there is still room for further climb. Overnight positive Eurozone data while offering some much needed reprieve, may not do much to dampen odds of additional stimulus from the ECB. The ECB next meet tomorrow.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.9000	4.9223	4.9321	4.9416	4.9574

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.16% higher at 5.4418, and has been trading within a tight 50pips range since. Daily outlook is neutral as we expect the sterling to continue whipsaw trailing and ups and downs sentiments surrounding Brexit related newsflows.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4000	5.4251	5.4414	5.4595	5.4646

AUD/MYR

AUD/MYR Neutral

AUD/MYR opened 0.23% lower at 3.0170 but has since moved higher back above the 3.02 handle. We are neutral on AUD/MYR today expecting sideway trading in the MYR and Aussie. Aussie has been surprisingly resilient despite negative trade noises with China, supported by positive risk sentiments.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0040	3.0125	3.0205	3.0296	3.0430

Source: Bloomberg, HLBB Global Markets Research

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