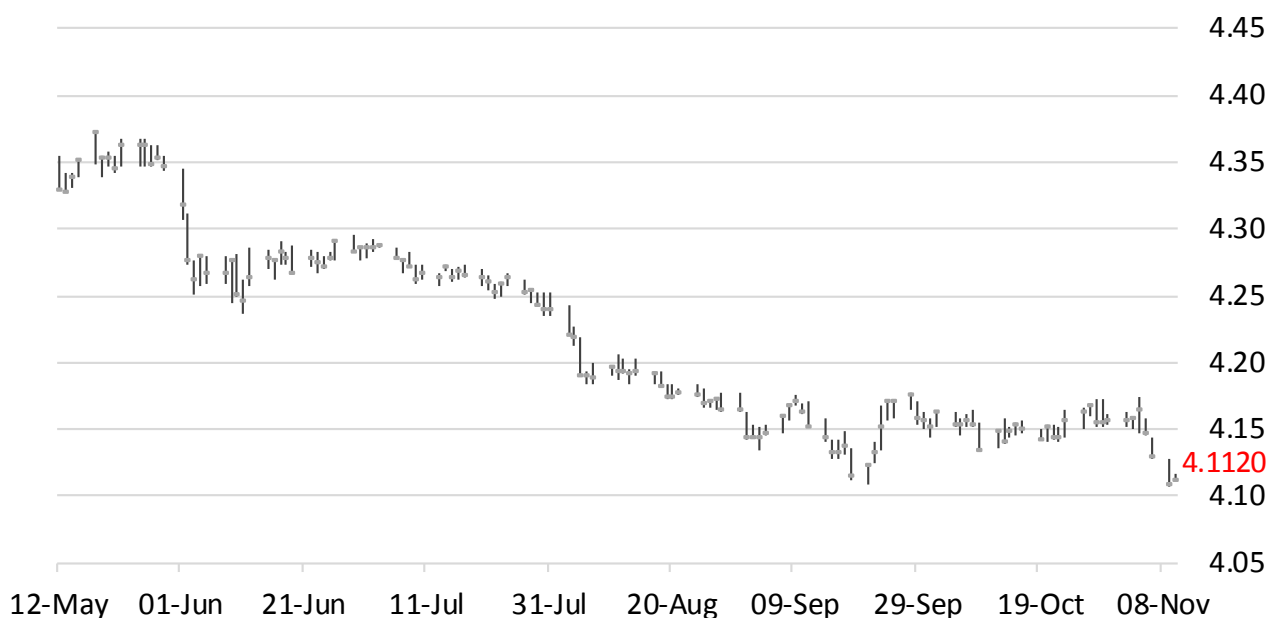


10 November 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Bullish

USD/MYR opened little changed at 4.1115. Daily outlook remains bearish as we expect more down moves as market becomes risk-on following the vaccine news while the surge in oil prices is likely to be MYR supportive. The RSI has yet to breach its oversold level despite recent sharp move, suggesting that there is still room for USD/MYR to go down further with 4.1000 being a key support level.

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	4.0900	4.1000	4.1120	4.1300	4.1500

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened 0.3% lower at 4.8625, after the EUR broke down overnight amid USD resurgence. We are still neutral on the pair expecting both EUR and MYR to strengthen. Still, event risks and poor fundamentals may weigh on the EUR near-term as the triumph over vaccine news wanes. For the week ahead, second reading of 3Q GDP, industrial production and ZEW survey are key data on the deck.

a	S2	S1	Indicative	R1	R2
EUR/MYR	4.8300	4.8450	4.8600	4.8728	4.8834

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.2% higher at 5.4179 and was little changed. Boris Johnson suffered a defeat to amend the Internal Market Bill that would have allowed the government to unilaterally override parts of the exit treaty relating to Northern Ireland. GBP was unmoved by the news. Daily outlook is neutral ahead of today's job data. Heightened Brexit noises, dovish BOE coupled with the pandemic risks will likely continue weighing on the GBP in the near term.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4044	5.4130	5.4173	5.4495	5.4632

AUD/MYR



AUD/MYR Neutral-to-Bearish

AUD/MYR opened 0.1% higher at 2.9948 and is hovering at recent ranges as of writing. Daily outlook is neutral to bearish as downbeat China inflation data are posting downside risk to the pair. In the more medium term, AUD is expected to weaken further as the RBA bought longer-dated government bonds to keep yields low.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9599	2.9908	2.9925	3.0135	3.0270

Source: Bloomberg, HLBB Global Markets Research

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