

10 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 marginally higher at 4.0640 this morning and is seen hovering at this level at time of writing. We are neutral to bearish on the pair today, with likelihood of breaking the 4.06 handle. MYR appears resilient despite USD strength in the past few days. Except for the knee jerk spike to 4.0885 on Monday, USD/MYR has been range trading between 4.0620-4.0750. The USD is expected to continue with its attempts to rebound, hence keeping the pair within current ranges.

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	4.0630	4.0740	4.0800

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened 0.39% lower at 4.9069 and trended higher to 4.9110 at time of writing. Positive momentum for the pair is softening, suggesting the pair likely heading back down to 4.90. All eyes will be on ECB policy announcement tonight. Any additional stimulus from the ECB is expected to be positive for the EUR, hence keeping EUR/MYR above 4.90 support.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8919	4.9000	4.9110	4.9249	4.9319

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.50% lower at 5.4299 and rallied. However, the pair failed to sustain its gain and retreated to the opening levels again at time of writing. 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	5.3945	5.4170	5.4300	5.4480	5.4583

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.53% lower at 3.0199 but inched up. We are neutral on AUD/MYR today expecting sideways trading in the MYR and Aussie amid paring of risk appetite in the markets. The pair remains largely AUD-driven in our view, and could potentially trend higher given resiliency in the Aussie in the medium term.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0100	3.0190	3.0310	3.0365	3.0430

Source: Bloomberg, HLBB Global Markets Research

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