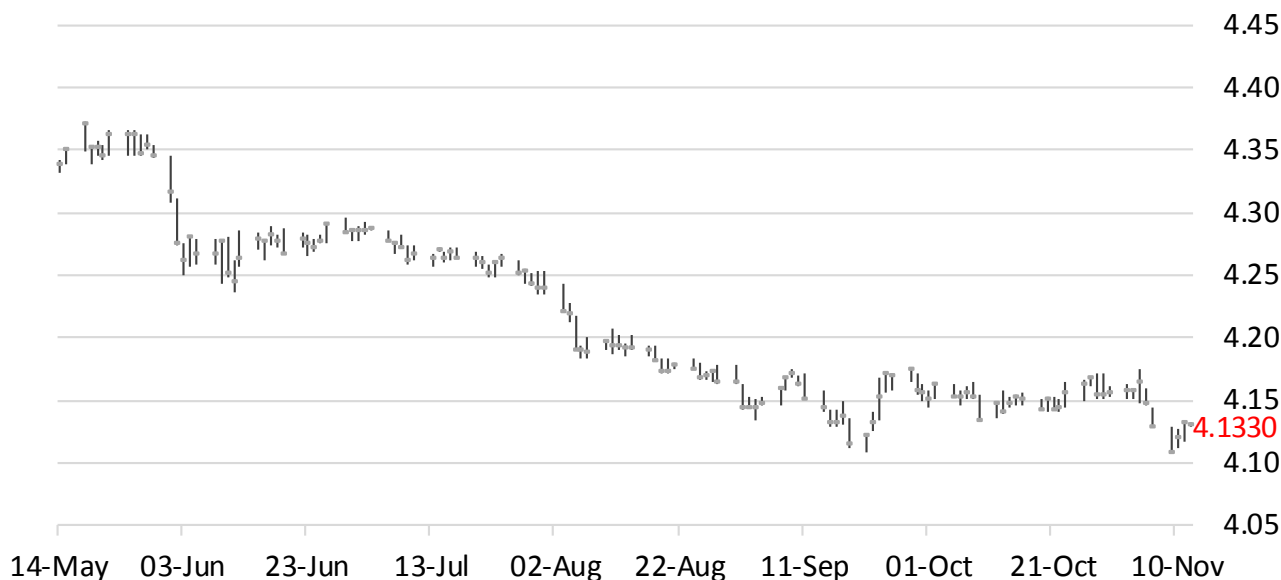


12 November 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to Bearish

USD/MYR opened little changed at 4.1330. Daily outlook is neutral to bullish as USD resurgence overnight helped push the pair back above 4.1300 as of writing, but we reckon market is likely stabilizing for the remainder of the day ahead of tomorrow's Malaysia 3Q GDP report.

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	4.1000	4.1200	4.1330	4.1410	4.1500

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened 0.1% lower at 4.8678. We are still neutral on the pair as USD strength is now working against both the EUR and MYR. Poor fundamentals may weigh on the EUR near-term as the optimism from vaccine news wanes. For the remainder of the week, second reading of 3Q GDP and industrial production and are key data on the deck.

a	S2	S1	Indicative	R1	R2
EUR/MYR	4.8300	4.8566	4.8685	4.8834	4.9030

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.4% lower at 5.4646, paring gains made in the previous session. This comes after the dollar made a comeback overnight. We expect little movement for the pair ahead of today's 3Q GDP reading and some key indicators. Still, GBP is at elevated levels and we may see correction from Brexit risks. 3Q GDP and industrial production are up next.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4400	5.4565	5.4639	5.4821	5.5000

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.1% lower at 3.0099 and is hovering at recent levels. Daily outlook is neutral as AUD continues to be supported by ongoing market optimism; it also benefits from RBNZ's more optimistic outlook for neighbouring New Zealand. In the more medium term, AUD is expected to retreat from elevated levels as the RBA bought longer-dated government bonds to keep yields low.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9599	2.9908	3.0085	3.0135	3.0270

Source: Bloomberg, HLBB Global Markets Research

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