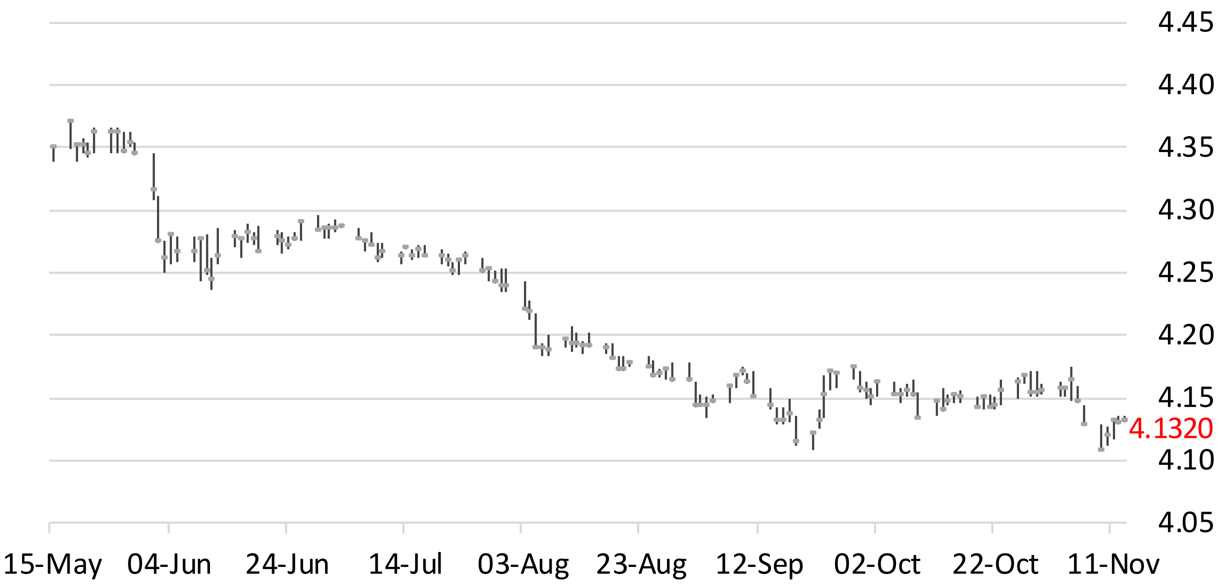
13 November 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened 0.1% higher at 4.1350 and is little changed as of writing. Daily outlook is neutral as we expect little movement in the MYR market ahead of today's Malaysia 3Q GDP report, scheduled for a noon release. Consensus forecast stood at -4.0% YOY versus our house view of -5.7%, which we expect some upside surprises given the strong QOQ rebound seen in high frequency data.

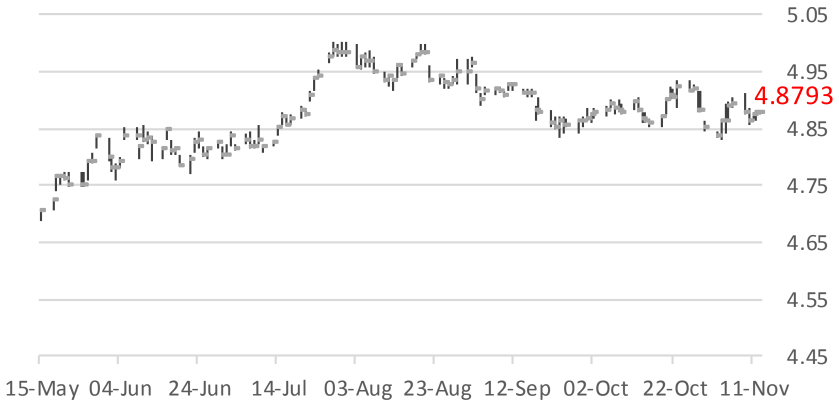
1-Month Outlook – MYR Bullish

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	4.1320	4.1410	4.1500

MYR Crosses

EUR/MYR

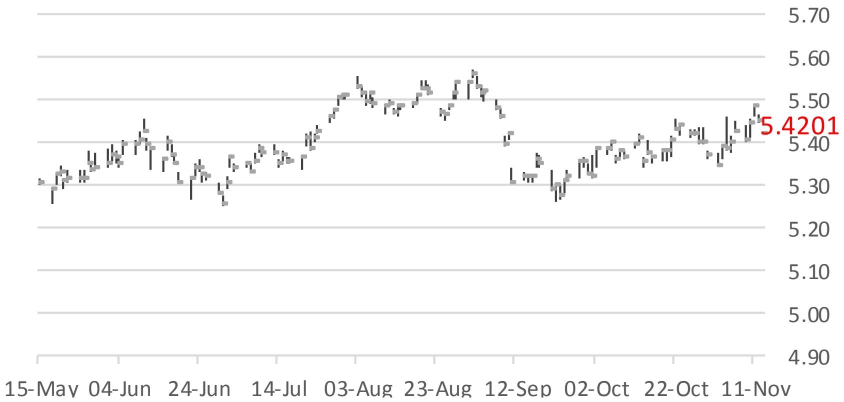


EUR/MYR Neutral

EUR/MYR opened little changed at 4.8759. We are still neutral on the pair as there is little chance for EUR to rebound and MYR expected to be stable for now ahead of both Malaysia's and Eurozone's 3Q GDP reports. Eurozone's poor fundamentals coupled with rising Covid-19 infections may weigh on the EUR in the more medium term.

a	S2	S1	Indicative	R1	R2
EUR/MYR	4.8532	4.8707	4.8793	4.9030	4.9207

GBP/MYR



GBP/MYR Neutral to Bearish

GBP/MYR opened 0.6% lower at 5.4196, after the down move in GBP overnight. This comes after the UK's new Covid-19 cases hit record high. 3Q GDP rebounded as expected but monthly indicators show some weakness; the current lockdown also suggests some deterioration in the months ahead. GBP is at elevated levels and we may see correction from Brexit risks.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4000	5.4150	5.4201	5.4367	5.4500

AUD/MYR

AUD/MYR Neutral

AUD/MYR opened 0.4% lower at 2.9903. Daily outlook is neutral on the back of cautious sentiment. 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	2.9620	2.9700	2.9864	3.0000	3.0180

Source: Bloomberg, HLBB Global Markets Research

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