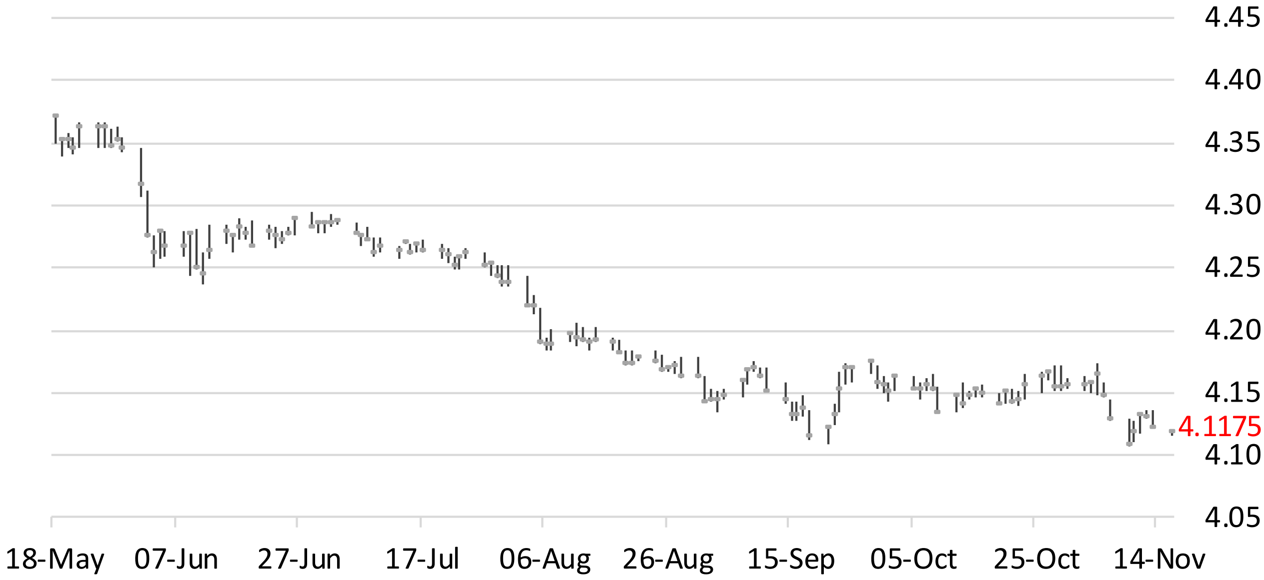
16 November 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to Bullish

USD/MYR little changed at 4.1200. We are neutral to bullish MYR in the week ahead as improving risk sentiments will likely dampen the bid tone in the greenback despite occasional flips from US presidential transition and pandemic headlines. 4.10 continues to serve as the major support and 4.15 the resistance.

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	4.1100	4.1175	4.1410	4.1500

MYR Crosses

EUR/MYR

EUR/MYR Neutral

EUR/MYR opened 0.2% higher at 4.8835. We are still neutral on the pair as markets opened today and investors monitoring the Covid-19 situations in Europe and the US. Eurozone's poor fundamentals may weigh on the EUR in the more medium term.

a	S2	S1	Indicative	R1	R2
EUR/MYR	4.8532	4.8707	4.8777	4.9030	4.9207

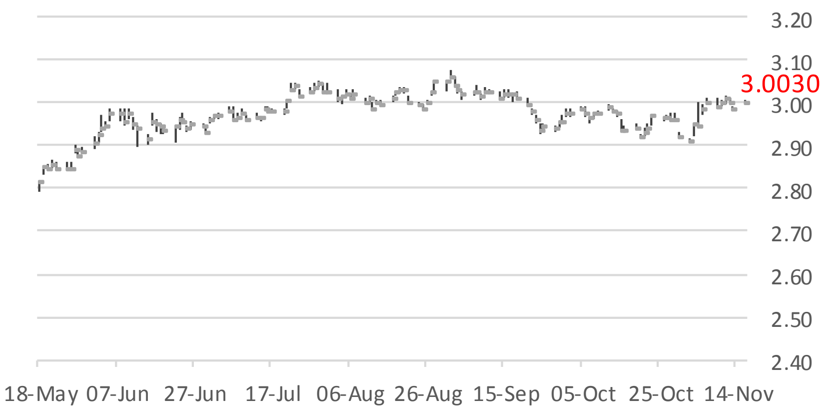
GBP/MYR

GBP/MYR Neutral to Bearish

GBP/MYR opened 0.5% higher at 5.4503, after the sterling rebounded on Friday. We are neutral-to-bearish on the GBP on fundamental reasons (poor recovery outlook). Brexit negotiations remain slow as the deadline of a trade deal nears (transition period ends 31 December).

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4150	5.4328	5.4434	5.4500	5.4632

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.7% higher at 3.0053 following stronger AUD on Friday. AUD did not react to China's latest data dump which showed continuous recovery in the Mainland. We are neutral on the AUD for the week ahead; focus is likely on RBA minutes and employment data.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9620	2.9798	3.0030	3.0180	3.0350

Source: Bloomberg, HLBB Global Markets Research

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