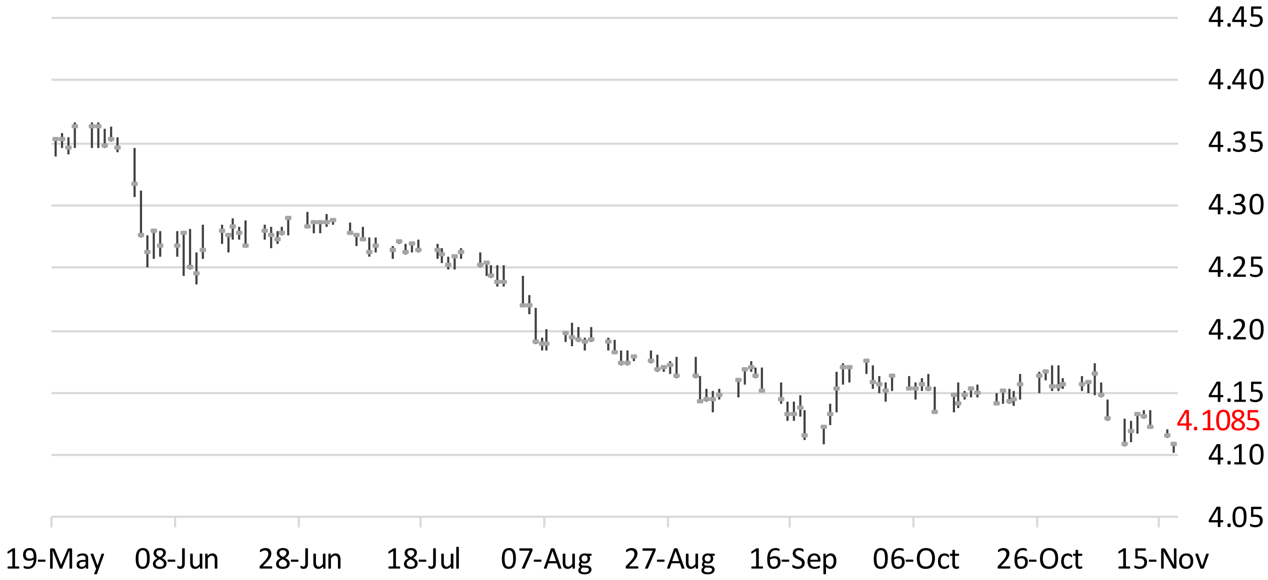
17 November 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to Bullish

USD/MYR opened 0.1% lower today at 4.1095 after extending its modest decline on Monday. We are neutral to bullish MYR this week as improving risk sentiments will likely dampen the bid tone in the greenback despite occasional flips from US presidential transition and pandemic headlines. The latest vaccine news is expected to benefit the local unit today, heading towards the key 4.10 major support.

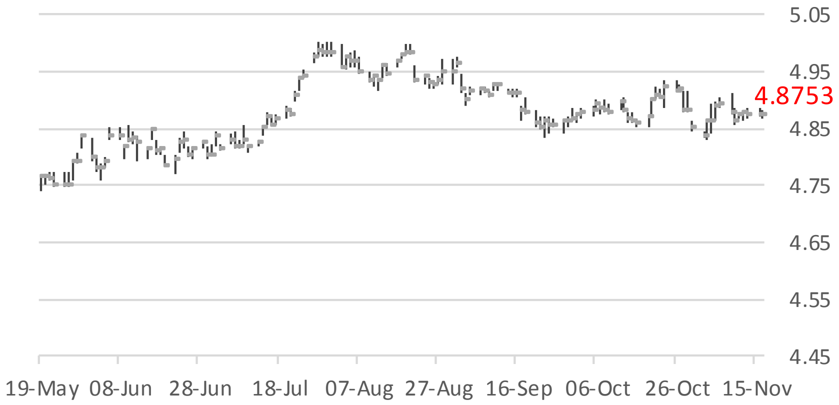
1-Month Outlook – MYR Bullish

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	4.0800	4.1000	4.1085	4.1410	4.1500

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened 0.1% higher at 4.8802 and has been hovering steadily around recent levels for the past few sessions. We are still neutral on the pair as both EUR and MYR strengthen against USD. Investors are also monitoring the Covid-19 situations in Europe and the US despite recent vaccine news. 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	4.8753	4.9030	4.9207

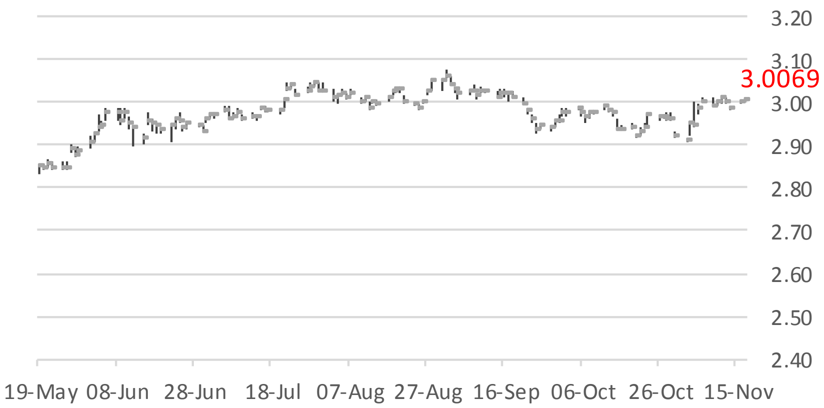
GBP/MYR

GBP/MYR Neutral to Bearish

GBP/MYR opened 0.1% higher at 5.4406 and was slightly down to circa 5.4300 level as of writing. We are neutral-to-bearish on the GBP on fundamental reasons (poor recovery outlook), eyeing Brexit talks. PM Johnson is said to be advised to prepare a deal with the EU next week.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4000	5.4150	5.4308	5.4500	5.4632

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.3% higher at 3.0120 following stronger AUD on overnight. RBA minutes remained dovish as expected. We are neutral on the pair as both AUD and MYR are boosted by upbeat risk sentiment. Job data are up next in the data calendar.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9620	2.9798	3.0069	3.0180	3.0350

Source: Bloomberg, HLBB Global Markets Research

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