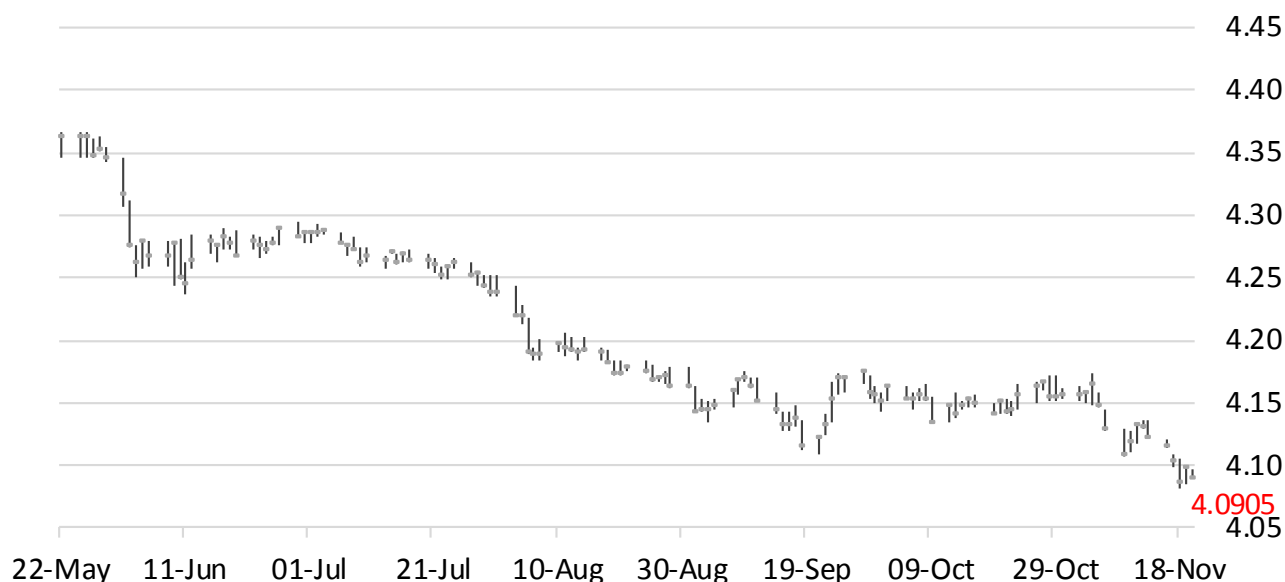


20 November 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened little changed at 4.0955 after having rebounded in the prior session from recent weakness. We are neutral on the pair as markets are weighing multiple headlines and cautious sentiment is likely to benefit the USD today ahead of the weekend, potentially sending the pair back above 4.10. However, we expect the pair to stay neutral to bullish in the week ahead, expecting extended USD bears barring any negative news flows. Vaccine and stimulus optimism and potentially positive US data will likely overshadow surging virus cases. The pair is expected to test the 4.08 handle again; a break below would pave the way towards 4.05. We are eyeing a range of 4.05-4.10 next week.

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	4.0850	4.0905	4.1200	4.1500

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened 0.3% higher at 4.8625 after the euro strengthened modestly overnight on the back of US stimulus talk optimism. Nonetheless overall EUR momentum remained weak; mixed market sentiment is likely to keep EUR/MYR on a muted note today ahead of the weekend. Markets may continue to hold back as the resurgence in Covid-19 in Europe disrupts economic recovery.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8210	4.8300	4.8548	4.8756	4.8834

GBP/MYR

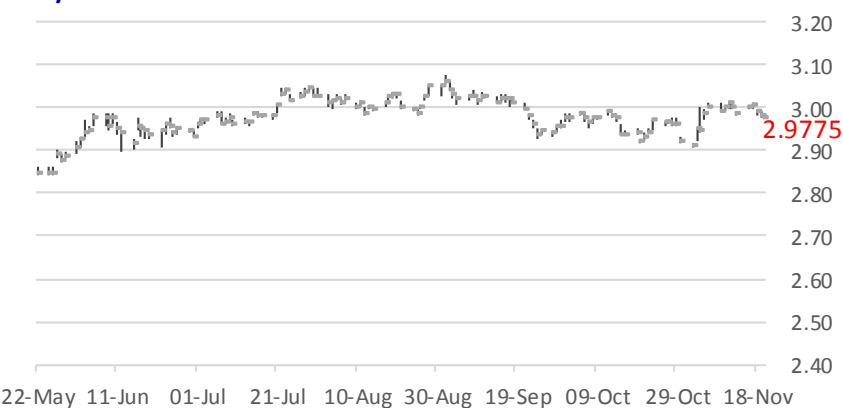


GBP/MYR Neutral

GBP/MYR opened 0.3% higher at 5.4286. We are now neutral on the pair amid a lack of catalysts. Brexit development is almost non-existent. In the medium term, we are neutral-to-bearish on the GBP on fundamental reasons (poor recovery outlook), eyeing Brexit transition.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4000	5.4150	5.4200	5.4500	5.4632

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened little changed at 2.9784. Daily outlook is neutral as the better-than-expected preliminary retail sales data should keep the AUD supported. China's PBOC also maintained its loan prime rate at 3.85%, a sign of stable recovery. Concerns over Australian-Chinese trade relation however may continue to weigh.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9372	2.9620	2.9775	2.9973	3.0175

Source: Bloomberg, HLBB Global Markets Research

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