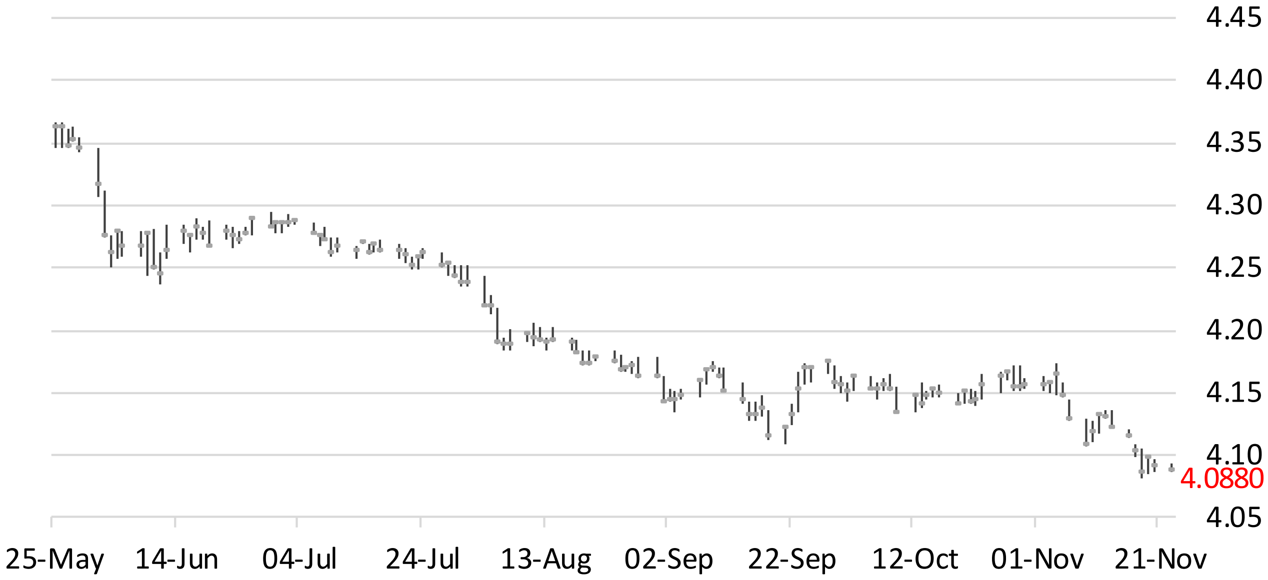
23 November 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to Bullish

USD/MYR opened little changed at 4.0928. We expect the pair to stay neutral to bearish 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 this 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	4.0880	4.1000	4.1200

MYR Crosses

EUR/MYR

EUR/MYR Neutral

EUR/MYR opened little changed at 4.8560. EUR momentum remained weak as EUR/USD has been trading interchangeably between small gains and losses in the past week. Event risks and poor fundamentals are expected to continue capping upside on EUR near-term. Markets may continue to hold back as the resurgence in Covid-19 in Europe disrupts economic recovery. Markit PMIs are up next.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8210	4.8300	4.8550	4.8756	4.8834

GBP/MYR

GBP/MYR Neutral to Bullish

GBP/MYR opened 0.3% higher at 5.4447 following stronger GBP last Friday. Pair looks likely to benefit from Brexit optimism today as officials on both UK and EU sides believe a deal is approaching. UK Chancellor said the UK should not sign the deal at any price, affirming a tough stance. We eye this week's development for further guidance. PMI data are also on the deck today.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4178	5.4334	5.4461	5.4500	5.4632

AUD/MYR

AUD/MYR Neutral to Bullish

AUD/MYR opened 0.3% higher at 2.9928 after the Aussie gained against USD last Friday. Pair looks set to gain on the back of upbeat sentiment following the opening of the New South Wales-Victoria border.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9620	2.9797	2.9931	2.9973	3.0175

Source: Bloomberg, HLBB Global Markets Research

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