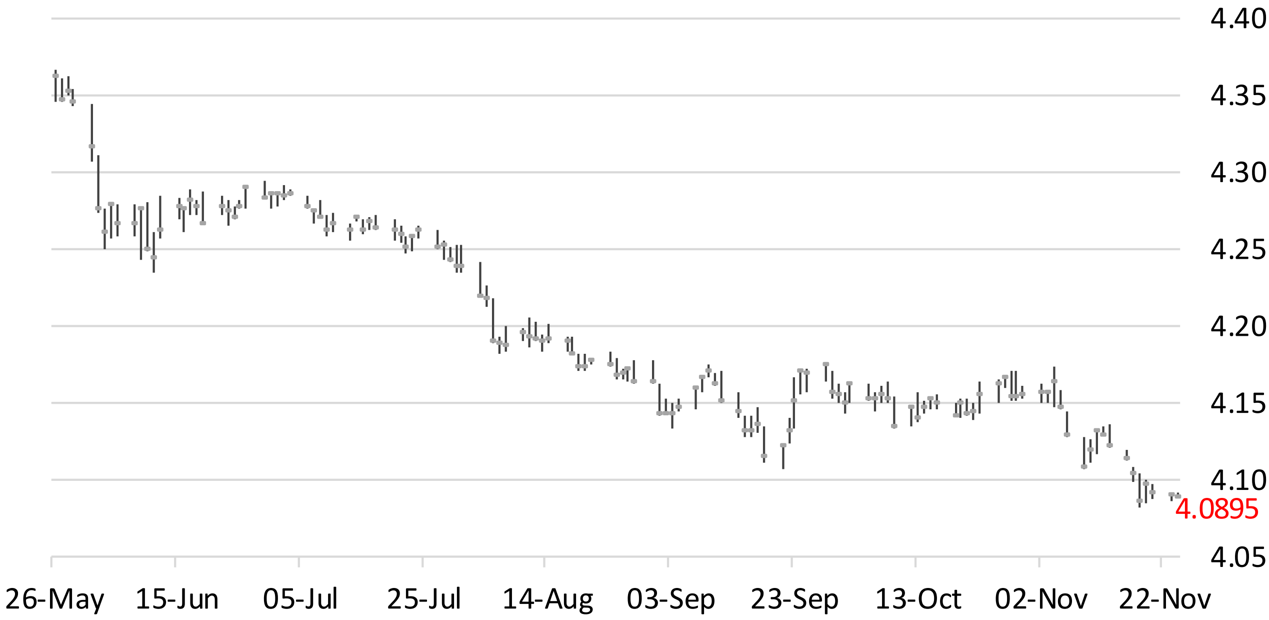
24 November 2020

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 4.0915. The stronger USD could work in favour of USD/MYR today as renewed strength in the greenback overnight poses downside risk to our neutral to bearish view on the pair. However, we suspect gain in USD/MYR would be limited as overall improved sentiment should keep the local unit supported. Focus is now more on Biden's transition news as his office gradually announces his Cabinet picks. We are still eyeing a wide 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	4.0895	4.1000	4.1200

MYR Crosses

EUR/MYR

EUR/MYR Neutral

EUR/MYR opened 0.3% lower at 4.8445. Pair remained constrained within a tight range amid weak EUR momentum. 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. This is evident in the weaker PMIs released yesterday.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8210	4.8300	4.8434	4.8756	4.8834

GBP/MYR

GBP/MYR Neutral to Bullish

GBP/MYR opened 0.3% lower at 5.4516 despite stronger GBP overnight. Pair looks likely to continue benefitting from vaccine as well as Brexit optimism today. PMI data were mixed as the services sector took the hit from the lockdown which is expected to be lifted soon. We eye this week’s Brexit development for further guidance.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4178	5.4334	5.4515	5.4632	5.4870

AUD/MYR

AUD/MYR Neutral to Bullish

AUD/MYR opened 0.5% lower at 2.9840. AUD could benefit from upbeat global sentiment but Australia’s mixed preliminary trade data seems to cap the gain, not to mention the resilient MYR. Focus turns to RBA deputy governor Dabelle’s speech.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9620	2.9797	2.9884	2.9973	3.0175

Source: Bloomberg, HLBB Global Markets Research

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