

24 December 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 4.0635. Daily outlook is neutral to bearish as the pair may catch up with weaker greenback overnight amid renewed Brexit optimism and poorer US data. The rebound in oil prices is also beneficial to MYR. We still observe a range of 4.04-4.07 today ahead of a long weekend.

1-Month Outlook - MYR Bullish

We are bearish on USD/MYR on a one-month basis. The MYR appears to be quick in regaining its footing from the knee-jerk selloffs following the rating downgrade decision by Fitch. The pair will also be driven down by expectation for a weaker USD following a clearer political situation amid a Joe Biden's victory. 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	4.0300	4.0400	4.0590	4.0700	4.0800



MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened little changed at 4.9552 and remain flattish, constrained within a tight range of 4.94-4.4.9650 as expected. No change to our neutral outlook for now ahead of the holidays. EUR may benefit a little from the up moves in GBP but overall grimmer economic outlook is set to drag on the single-currency in our view.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.9234	4.9397	4.9566	4.9587	4.9740

GBP/MYR

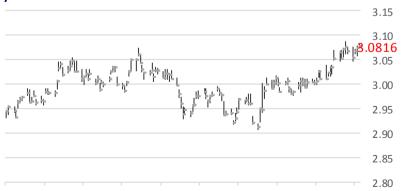


GBP/MYR Neutral to Bullish

GBP/MYR opened 0.7% higher at 5.4911, catching up with rally in the sterling overnight over an impending Brexit deal. Pair is likely to stay supported in the short term and is likely to be boosted further once the official deal is announced. Having said that, we caution that market may also take profit from GBP high after the event materialises.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4500	5.4800	5.5005	5.5100	5.4350

AUD/MYR



AUD/MYR Neutral to Bullish

AUD/MYR opened 0.2% higher at 3.0813 and is likely extend its current neutral trend, although pair may benefit a little from renewed positive sentiment. The pair remains largely AUD-driven in our view, and could potentially trend higher given resiliency in the Aussie in the medium term.

25-Jun 15-Jul 04-Aug 24-Aug 13-Sep 03-Oct 23-Oct 12-Nov	02-Dec 22-Dec
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	S2	S1	Indicative	R1	R2
AUD/MYR	3.0500	3.0672	3.0816	3.0875	3.0900

Source: Bloomberg, HLBB Global Markets Research



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