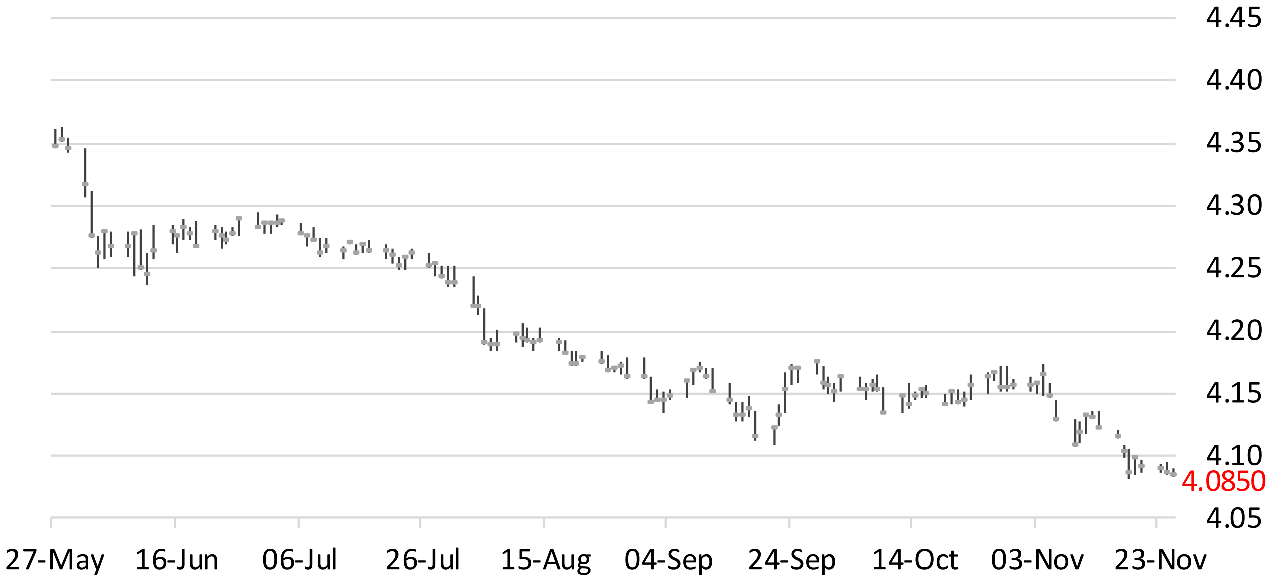
25 November 2020

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 4.0900. We remain neutral to bearish on the pair on the back of upbeat sentiment. Renewed USD weakness overnight is likely to benefit MYR as there is still room for the pair to move lower, with potentials to break the 4.08 key support today. Our weekly expected range is 4.05-4.10.

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	4.0850	4.1000	4.1200

MYR Crosses

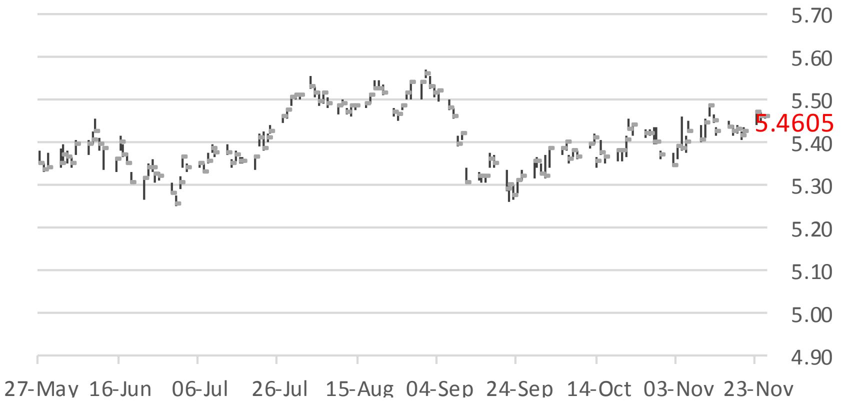
EUR/MYR

EUR/MYR Neutral

EUR/MYR opened 0.1% higher at 4.8616 and remained constrained within a tight range despite stronger EUR overnight as MYR is well supported by better risk appetite. Event risks and poor fundamentals are expected to continue capping upside on EUR in the near-term. 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	4.8627	4.8756	4.8834

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened little changed at 5.4601. Daily outlook is neutral as the pair is likely to consolidate, awaiting Brexit update. We eye this week's Brexit development for further guidance.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4302	5.4426	5.4605	5.4720	5.4870

AUD/MYR

AUD/MYR Neutral

AUD/MYR opened 0.1% higher at 3.0101 after strengthened in the prior session. A resilient MYR is likely to cap the gain in the pair as both currencies ride on better risk sentiment.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9785	2.9950	3.0086	3.0180	3.0250

Source: Bloomberg, HLBB Global Markets Research

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