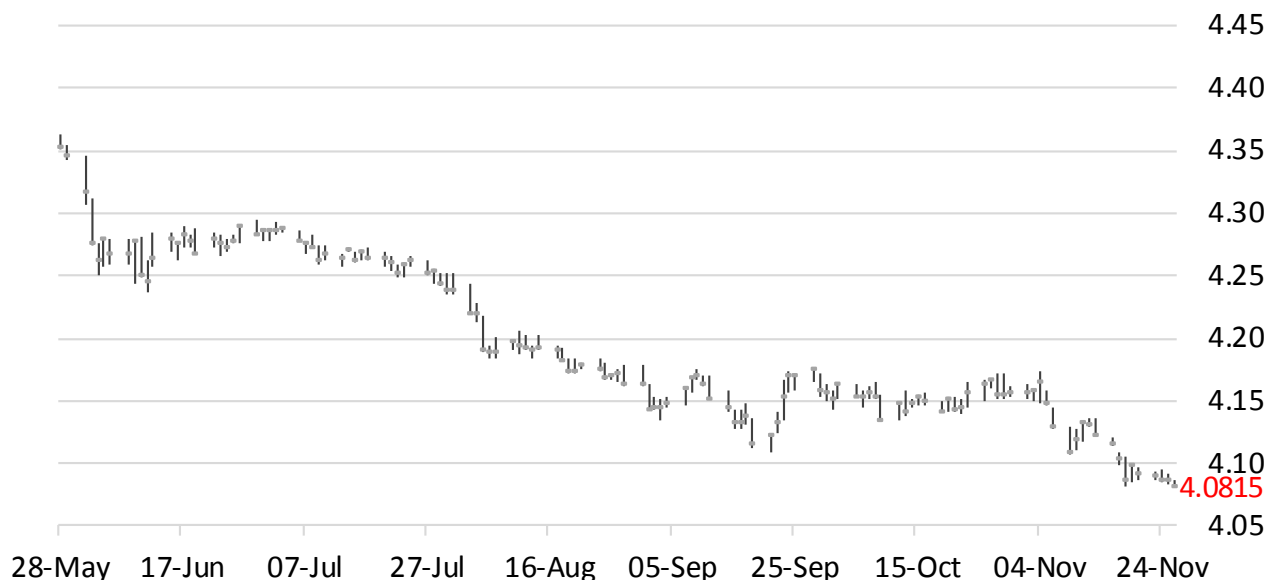


26 November 2020

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Intraday Thoughts – MYR Neutral to Bullish

USD/MYR opened little changed at 4.0855. We remain neutral to bearish on the pair on the back on broad dollar weakness. The pair is hovering at circa 4.0815 since this morning, aiming to break 4.08 key support; there is still room for the pair to move lower based on the current RSI indicator. Our weekly expected range remains at 4.05-4.10. Having said that, the attention is on today's 2021 budget vote, which will be facing an uphill task to be passed at Parliament. That said, an affirmative vote shall be positive for the MYR.

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	4.0700	4.0800	4.0815	4.1000	4.1200

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened 0.1% higher at 4.8706 and remained constrained within a tight range as both EUR and MYR are supported by weaker USD. We maintain neutral view on the pair for now. 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	4.8420	4.8622	4.8671	4.8756	4.8834

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.3% higher at 5.4704 after falling slightly for the past two sessions. We remain neutral on the pair, awaiting Brexit updates. The EU had threatened to ditch negotiation this weekend if the UK refused to compromise on outstanding issues. We monitor any developments for further guidance.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4302	5.4426	5.4665	5.4720	5.4870

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.2% higher at 3.0096 and continues to trade on a neutral note with little changes. No change to view that 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	3.0038	3.0180	3.0250

Source: Bloomberg, HLBB Global Markets Research

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