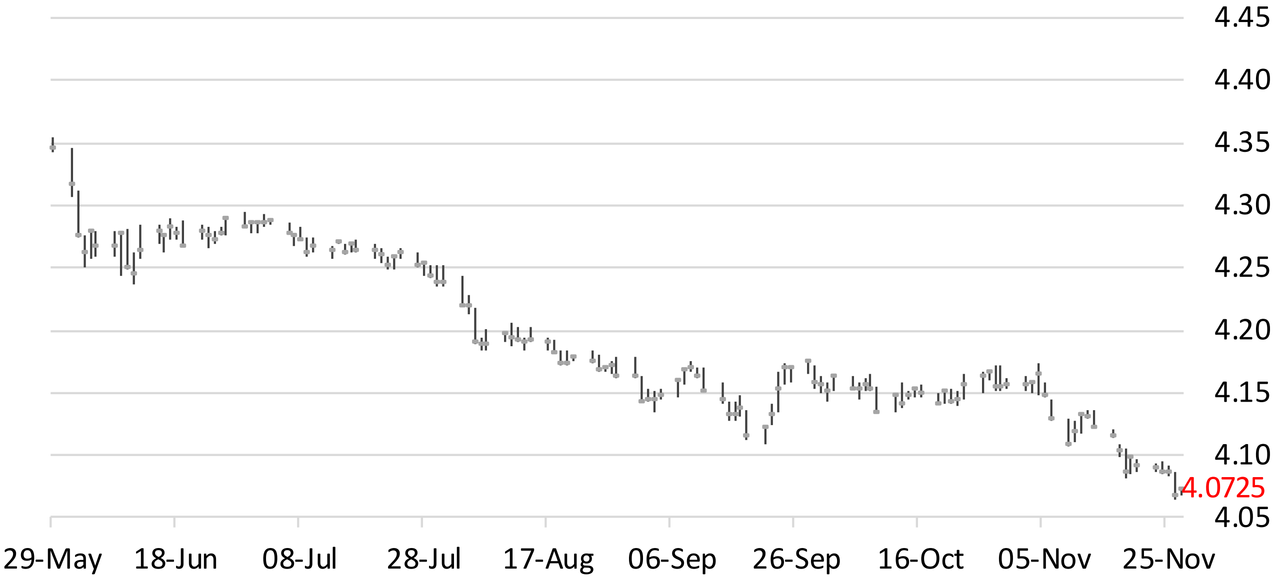
27 November 2020

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 4.0675 after having weakened in the prior session when the Malaysian Parliament passed the 2021 Budget. Pair has now weakened to levels last seen in January with RSI indicator breaching the oversold threshold. We are neutral on the pair today; expecting some consolidation after yesterday's down move and as the week comes to an end.

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	4.0500	4.0600	4.0725	4.0900	4.1000

MYR Crosses

EUR/MYR

EUR/MYR Neutral

EUR/MYR opened little changed at 4.8454 after weakening in the prior session. Pair is expected to recover modestly today from the sharper down move. Event risks, poor fundamentals and cautious sentiment 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	4.8300	4.8420	4.8527	4.8732	4.8834

GBP/MYR

GBP/MYR Neutral

GBP/MYR opened little changed at 5.4332 after weakening for the past three sessions on the back of stronger MYR. We remain neutral on the pair, awaiting Brexit updates. Uncertainties are mounting as the chances of reaching a deal are looking thinner. We monitor any developments for further guidance.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4178	5.4302	5.4413	5.4627	5.4870

AUD/MYR

AUD/MYR Neutral

AUD/MYR opened little changed at 2.9926; pair may recover some of the losses in the prior session. Cautious market sentiment is expected to cap gains as markets monitor vaccine news.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9785	2.9950	2.9986	3.0180	3.0250

Source: Bloomberg, HLBB Global Markets Research

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