

30 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 was unchanged at 4.0685. The approval of the 2021 Budget at policy level at Parliament last week pushed USD/MYR down two big figures to 4.06, from the 4.08-4.09 levels in recent days. We remain neutral to bullish MYR, expecting extended USD bears amid continued improvement in risk appetite. Maintaining a range of 4.05-4.10 for 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	4.0500	4.0600	4.0685	4.0900	4.1000

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened 0.4% higher at 4.8694. Expect pair to remain constrained amid a lack of driver. 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. PMI data are up next.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8300	4.8420	4.8684	4.8732	4.8834

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.3% lower at 5.4231 after the sterling weakened in the prior session. 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	5.4000	5.4178	5.4231	5.4426	5.4627

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.2% higher at 3.0113; No change to our neutral outlook for now ahead of tomorrow's RBA monetary policy decision. Pair was unmoved by positive Chinese PMI data. In the short to medium term, recent trade skirmishes with China post downside risk.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9785	2.9950	3.0087	3.0180	3.0250

Source: Bloomberg, HLBB Global Markets Research

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