

30 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 slightly higher at 4.0500 but retreated, down two big figures to 4.03 at time of writing. Daily outlook is neutral to bullish tracking weaker USD performance overnight that has spilled over to Asian trading this morning. We still observe a neutral range of 4.04-4.07 this week, reflecting our neutral-to-bearish outlook on broad USD. US stimulus jitters is expected to remain as the key driver for the pair for the remaining of the week.

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	4.0000	4.0300	4.0398	4.0500	4.0600

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened only slightly higher by 0.02% at 4.9601 and has been range trading between 4.9594 and 4.9672 since. No change to our neutral outlook for now as the fragile spike in EUR following news on Brexit deal could fade or reverse. A shift in focus to weak economic outlook in the Euro region would also limit gains in the pair.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.9335	4.9475	4.9628	4.9756	4.9944

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.08% lower at 5.4643 and has since hovering at this level. Daily outlook is neutral as we expect rather equal gains in both the sterling and MYR. We would however like to caution that price actions could remain volatile in the hours leading up to the official withdrawal.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4200	5.4489	5.4671	5.4800	5.5000

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened slightly higher by 0.08% at 3.0807 and was seen trading sideways between 3.0793 and 3.0858 since. Daily outlook is neutral taking cue from USD weakness and would benefit both Aussie and MYR.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0500	3.0672	3.0858	3.0900	3.1000

Source: Bloomberg, HLBB Global Markets Research

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