

6 January 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to Bullish

USD/MYR opened 0.2% lower at 4.0100 after USD weakened broadly and sharply overnight. USD/MYR has now stabilised back to circa 4.01-4.02 range, correcting from the recent low of 3.9955. The pair would attempt to breach 4.0 support again as MYR bulls are restored by soaring oil prices and weak USD. In the short term, any recovery or correction is likely to be short term (pair is at oversold level), as extended dollar weakness is expected to send the pair lower again.

1-Month Outlook – MYR Bullish

We are bearish on USD/MYR on a one-month basis. Recent USD weakness has strengthened the downward trajectory in the pair. Expectations for further improvement in economic prospects in 2021 following progress in vaccination should bode well with investor risk appetite, hence our bearish view on the USD and bullish view on the MYR as a potential beneficiary of inflows into emerging markets, especially EMAsia, supported by an Asia-led recovery story.

	S2	S1	Indicative	R1	R2
USD/MYR	3.9800	3.9950	4.0175	4.0200	4.0500

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened 0.2% higher at 4.9394 catching up with the modest gain in EUR/USD. We maintain neutral outlook on EUR/MYR as USD weakness is likely to keep both EUR and MYR supported, reducing chances of any sharper moves/price actions in the pair.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.9021	4.9093	4.9328	4.9400	4.9500

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.6% higher at 5.4729, tracking higher. Pair is likely to see volatile movements in the short term amid mounting pandemic concerns and poorer economic recovery outlook.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4344	5.4565	5.4627	5.4787	5.5000

AUD/MYR



AUD/MYR Neutral to Bullish

AUD/MYR opened 0.7% higher at 3.1177, tracking the bullish AUD in the wake of surging oil prices. This should keep the pair well supported for the day but a correction could ensue at overbought level, returning back to 3.08-3.10 range in the shorter term.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0732	3.0882	3.1114	3.1196	3.1250

Source: Bloomberg, HLBB Global Markets Research

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