

7 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 little changed at 4.0125 after having weakening modestly in the previous session. No change to our view that the pair would attempt to breach 4.00 support again as dollar weakness persisted. 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	4.0000	4.0280	4.0300	4.0500

## MYR Crosses

### EUR/MYR



### EUR/MYR Neutral to Bullish

EUR/MYR opened virtually unchanged at 4.9472. Pair has broken 4.94 level. This comes as EUR/USD turned stronger attempting to break 1.2350. However upside is likely capped at previous high of 4.9735 amid cautious sentiment.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.9181	4.9305	4.9551	4.9655	4.9735

### GBP/MYR



### GBP/MYR Neutral

GBP/MYR opened virtually unchanged at 5.4626 amid muted pound movement. We see GBP torn between mixed drivers - weaker dollar (a plus for GBP) and worsening pandemic situation in the UK. The latter might dampen further rally.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4344	5.4565	5.4633	5.4787	5.5000

### AUD/MYR



### AUD/MYR Neutral to Bullish

AUD/MYR opened 0.3% higher at 3.1336, tracking the continuously bullish AUD in the wake of surging oil prices. This should keep the pair well supported but a correction could ensue at overbought level, returning back to 3.08-3.10 range in the shorter term as mentioned previously.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0869	3.1055	3.1328	3.1396	3.1500

Source: Bloomberg, HLBB Global Markets Research

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