

11 February 2021

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 4.0430. A flat USD and the anticipated release of Malaysia's 4Q GDP growth today (at noon time) are likely to keep USD/MYR on a neutral note. We expect a slightly bigger contraction in GDP in the wake of reintroduction of conditional movement control orders during the last quarter of the year.

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 EM Asia, supported by an Asia-led recovery story.

	S2	S1	Indicative	R1	R2
USD/MYR	4.0300	4.0400	4.0450	4.0600	4.0800

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened little changed at 4.9018 as the weakening dollar sentiment helped support both components. No change to our neutral-to-bullish on the EUR, with dollar weaknesses resuming. Gains in EUR/MYR are expected to be capped as both EUR and MYR strengthen simultaneously amid.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8667	4.8832	4.9033	4.9117	4.9300

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened little changed at 5.5939. GBP/USD continued to hover at near-two-year high. We are still neutral-to-bullish on GBP/USD, but expect some gains to be limited by stretched levels. Similarly, an equally strong MYR is likely to keep the crosses in neutral mode. UK's 4Q GDP report due tomorrow is expected to be a major driver. Consensus forecast is 0.5% q/q growth.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5435	5.5508	5.5965	5.6000	5.6200

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.2% lower at 3.1240, as both MYR and AUD remain resilient amid weak dollar sentiment and bullish oil market. This is likely to keep the crosses supported in the short term but unlikely to overcome 3.15.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0858	3.1070	3.1241	3.1500	3.1600

Source: Bloomberg, HLBB Global Markets Research

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