

12 January 2021

**Global Markets Research**
**Mid-day Currency Outlook**
**USD/MYR**


Source: Bloomberg, HLBB Global Markets Research

**Intraday Thoughts – MYR Bearish**

USD/MYR opened unchanged at 4.0530, briefly hit above 4.07 before retreating back to circa 4.0650 as of writing. Pair has is poised to strengthen further with USD now propelled by robust stimulus optimism in the wake of Democrats' Congressional majority and inauguration of President-elect Joe Biden next week. We are bullish on USD/MYR today, expecting talks of stimulus and higher US inflation to continue dominating markets; pair continues to target 4.07 before moving on to 4.0900.

**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	4.0200	4.0500	4.0645	4.0700	4.0900

## MYR Crosses

### EUR/MYR



### EUR/MYR Neutral

EUR/MYR opened little changed at 4.9286 and was up slightly for the day, reflecting weaker MYR. Upside is likely capped by bullish USD that is expected to drag on both EUR and MYR components.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.9097	4.9181	4.9362	4.9517	4.9615

### GBP/MYR



### GBP/MYR Neutral to Bullish

GBP/MYR opened 0.3% higher at 5.48809, picking up to near 5.50 thanks to weaker MYR. We are neutral to bullish on GBP/MYR as risk-off moods from (UK pandemic) slowly turns in this week and alongside a likely weaker MYR. Friday's data dump to offer more insights into the UK's economy.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4542	5.4740	5.4971	5.5000	5.5118

### AUD/MYR



### AUD/MYR Neutral

AUD/MYR opened 0.2% higher at 3.1238 and is trading on neutral note. Daily outlook is neutral as USD bulls dominate market, dragging on AUD and MYR. We maintain view that 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	3.0847	3.1208	3.1291	3.1406	3.1449

Source: Bloomberg, HLBB Global Markets Research

**Hong Leong Bank Berhad**

Fixed Income &amp; Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damansara

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: [HLMarkets@hlbb.hongleong.com.my](mailto:HLMarkets@hlbb.hongleong.com.my)**DISCLAIMER**

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter. HLBB may, to the extent permitted by law, buy, sell or hold significantly long or short positions; act as investment and/or commercial bankers; be represented on the board of the issuers; and/or engage in 'market making' of securities mentioned herein. The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favorable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.