

14 January 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened 0.1% higher at 4.0470 after retreating modestly on Wednesday. We remain neutral on the pair on a daily basis, as the broad USD made a minor come back overnight following stronger US CPI data. Pair is likely steadying at 4.04-4.05 level as investors digest news of potentially longer MCO period. No change to expected weekly range of 4.03-4.07.

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	4.0300	4.0405	4.0500	4.0700

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened 0.2% lower at 4.9171, tracking weaker EUR/USD after the broader greenback rebounded in reaction to stronger US CPI. Maintain neutral outlook on the pair amid a lack of driver. In the short to medium term, any upside is still capped at 4.97 in our view.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8900	4.9021	4.9173	4.9517	4.9615

GBP/MYR



GBP/MYR Neutral to Bullish

GBP/MYR opened 0.4% lower at 5.5177, as broad based USD strength drove down the sterling. We remain neutral to bullish on GBP/MYR as risk-off moods from (UK pandemic) slowly turns in this week. Focus is now on the economic recovery and vaccine rollout. Friday's data dump to offer more insights into the UK's economy.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4683	5.4914	5.5195	5.5466	5.5600

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.2% lower at 3.1319, as AUD/USD retreated alongside lower crude oil prices and stronger USD. We are neutral on AUD/MYR today and maintain view that a correction could ensue at overbought level, returning back to 3.08-3.10 range.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1000	3.1147	3.1316	3.1551	3.1650

Source: Bloomberg, HLBB Global Markets Research

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