

15 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 4.0370. We turn neutral to bearish on the pair as USD broadly retreated overnight as markets digest Biden's fiscal stimulus proposal and Fed Chair Powell's pushback against bond tapering expectations. Having said that, pair is more likely to stuck at circa 4.03-4.0450 today ahead of the weekend as well as BNM's OPR policy decision next week.

#### 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	4.0375	4.0500	4.0700

## MYR Crosses

### EUR/MYR



### EUR/MYR Neutral

EUR/MYR opened 0.1% lower at 4.9046. Maintain neutral outlook on the pair as EUR/USD was flat despite some broad-based retreat in USD. Markets are digesting mixed headlines – Biden’s stimulus package, poor jobless claims numbers and Powell’s no-taper comment.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8900	4.9000	4.9042	4.9517	4.9615

### GBP/MYR



### GBP/MYR Neutral

GBP/MYR opened little changed at 5.5231, hovering within tight ranges amid a lack of major driver. We are neutral on GBP/MYR ahead of today’s data dump that would offer more insights into the UK’s economy. Focus is now on the UK’s economic recovery and vaccine rollout.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4683	5.4914	5.5237	5.5466	5.5600

### AUD/MYR



### AUD/MYR Neutral

AUD/MYR opened little changed at 3.1386. Pair still staying stubbornly at above 3.13 this week, supported by firmer crude oil prices. We are neutral on AUD/MYR 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	3.1366	3.1551	3.1650

Source: Bloomberg, HLBB Global Markets Research

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