

16 February 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 4.0355 and has traded below 4.03 as of writing. The greenback continued its mixed performances against the majors, while higher oil prices are likely beneficial to the local currency. We maintain our neutral-to-bearish call on USD/MYR this week, as the pair targets 4.02 support next, barring from any major change in sentiment.

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	4.0200	4.0250	4.0275	4.0470	4.0520

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened little changed at 4.8965 and remains above 4.89. This comes as both the EUR and MYR strengthened amid a weaker USD. We are maintaining our neutral-to-bullish view on the EUR and MYR, hence a neutral outlook for EUR/MYR. Key event to watch today is the Eurozone's 4Q GDP report. Consensus estimates are expecting a 0.7% q/q contraction.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8861	4.8907	4.8929	4.9025	4.9117

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.1% higher at 5.6150. We remain neutral-to-bullish on GBP/USD, but expect some gains to be limited by stretched levels. Last Friday's GDP report that showed a smaller contraction in economic activities in 4Q augurs well with the sterling. Similarly, a bullish MYR outlook is likely to keep the crosses in neutral mode.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5816	5.5914	5.6178	5.6200	5.6296

AUD/MYR



AUD/MYR Neutral to Bullish

AUD/MYR opened 0.3% higher at 3.1371. Risk on sentiments and elevated commodity prices stay supportive of the AUD despite the RBA's dovish minutes. We are neutral-to-bullish on the pair as AUD gained further momentum. 3.15 remains a key resistance with immediate support at 3.10.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0858	3.1070	3.1432	3.1500	3.1600

Source: Bloomberg, HLBB Global Markets Research

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