

19 January 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

**Intraday Thoughts – MYR Neutral to Bearish**

USD/MYR opened little changed at 4.0498. We maintain our neutral to slightly bullish outlook for USD/MYR on the back of positive US stimulus sentiment ahead of Joe Biden’s inauguration. However, focus now turns to tomorrow’s BNM OPR decision, we are expecting the central bank to keep OPR unchanged at 1.75% but did not rule out the possibility that it would adjust its neutral policy tone to incorporate more dovishness in view of renewed economic concerns. Maintain a weekly range of 4.03-4.08 for USD/MYR this 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	4.0470	4.0500	4.0700

## MYR Crosses

### EUR/MYR



### EUR/MYR Neutral

EUR/MYR opened 0.1% higher at 4.8938 and is expected to trade on neutral note amid a lack of driver. Pair is USD driven as overall USD strength is likely to keep both EUR and MYR muted. We maintain a neutral outlook for now, expecting no change in ECB's policy this Thursday.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8580	4.8700	4.8920	4.9070	4.9181

### GBP/MYR

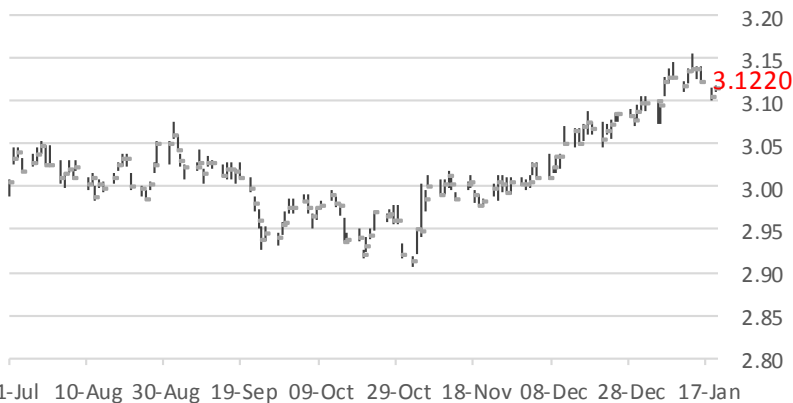


### GBP/MYR Neutral

GBP/MYR opened 0.5% higher at 5.5038. We remain neutral on the pair albeit some rebound in GBP/USD was noted following the quiet US holiday. We are neutral on the pair anticipating stronger USD ahead of Biden's inauguration. Fundamental wise, UK's economic recovery continued to be threatened by the pandemic despite some potentially short-term reprieve in Brexit-driven manufacturing growth.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4688	5.4709	5.5045	5.5080	5.5250

### AUD/MYR



### AUD/MYR Neutral

AUD/MYR opened 0.3% higher at 3.1140, supported by risk-on sentiment. This may be short-term as we foresee that stronger USD might cap the strength in the pair ahead of the Biden's inauguration.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0875	3.1000	3.1220	3.1277	3.1413

Source: Bloomberg, HLBB Global Markets Research

**Hong Leong Bank Berhad**

Fixed Income &amp; Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

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**

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