

27 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% lower at 4.0437; the neutral note is likely to stay for the rest of the session ahead of tomorrow's public holiday. The focus is mainly on the FOMC meeting now and the central bank is not likely to deliver any surprises. Markets are also anticipating news regarding MCO on the local front.

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	4.0300	4.0440	4.0500	4.0700

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened 0.3% higher at 4.9238. We maintain a neutral outlook on EUR/USD ahead of the FOMC meeting and thus a neutral outlook for EUR/MYR cross as well. Overall momentum still looks muted.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8830	4.9011	4.9173	4.9313	4.9538

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.7% higher at 5.5621 as the pound benefited from broad-based dollar weakness. GBP/USD still targets 1.3800 big figure this week, although risks are on the downside. This would drag down GBP/MYR simultaneously.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5196	5.5400	5.5521	5.5585	5.5700

AUD/MYR



AUD/MYR Neutral to Bullish

AUD/MYR opened 0.7% higher at 3.1385 as commodity-linked currencies rallied overnight. Better than expected CPI data also helps support AUD for now, adding to more optimistic signs for Australia's economic recovery.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1010	3.1143	3.1287	3.1409	3.1551

Source: Bloomberg, HLBB Global Markets Research

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