

29 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 gapped down 0.4% at 4.0285 as market opened but strengthened to circa 4.05 as of writing. Pair did not react to Moody's affirmation of Malaysia's A3 and stable outlook rating. We are neutral to slightly bearish on the pair, expecting not much of a movement ahead of the long weekend.

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	4.0540	4.0600	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 thus our neutral outlook for EUR/MYR crosses. Overall momentum still looks muted.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8865	4.9011	4.9085	4.9190	4.9300

GBP/MYR



GBP/MYR Neutral to Bearish

GBP/MYR opened 0.7% higher at 5.5621 as the sterling rose on broad-based dollar weakness. GBP/MYR now approaches its Sep-20 high of 5.57 and is at risk of a correction back to 5.53 to 5.55.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5288	5.5404	5.5612	5.5654	5.5700

AUD/MYR



AUD/MYR Neutral to Bearish

AUD/MYR opened 0.7% higher at 3.1385 but retreated to circa 3.10 amid weaker sentiment. This is consistent with our long held view that the crosses would retreat from the high levels of above 3.14-3.15.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0800	3.0950	3.1054	3.1205	3.1385

Source: Bloomberg, HLBB Global Markets Research

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