

1 October 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened 0.2% lower at 4.1800. MYR continued to hold up relatively well despite the broad-based USD strength this week. We turned neutral on USD/MYR today, expecting another muted trading session for the pair amid a lack of prominent drivers as investors digest mixed US headlines (government funding and poorer job data). A tight range around 4.1800 is expected, in line with our weekly range of 4.16-4.20 this week.

1-Month Outlook – MYR Bearish

We are bearish on MYR, expecting USD/MYR to correct from the current low back to circa 4.20-4.23 levels especially after the Fed hinted it may start to taper its asset purchase program this year, even as the headlines surrounding Malaysia's pandemic situation have turned more positive.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1600	4.1710	4.1860	4.1900	4.2000

MYR Crosses

EUR/MYR

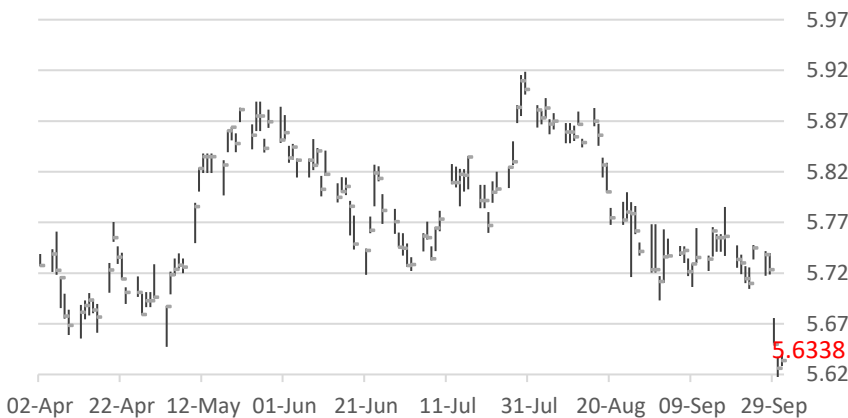


EUR/MYR Neutral

EUR/MYR opened 0.2% lower at 4.8451. EUR/USD failed to ride on the USD reversal overnight, inching lower to below 1.16, resulting in lower opening for EUR/MYR. We expect the broad USD retreat and the EUR/MYR's oversold condition to cap further losses, leaving EUR/MYR to potentially stabilise at circa 4.84 before correcting back to 4.85-4.86. EUR-related data include manufacturing PMI and HICP inflation.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8250	4.8360	4.8452	4.8550	4.8783

GBP/MYR

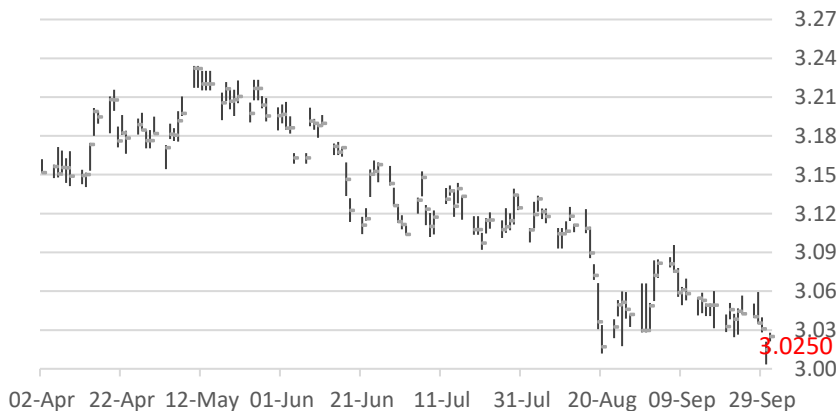


GBP/MYR Neutral

GBP/MYR opened 0.2% higher at 5.6385. The sterling rebounded alongside most majors as USD pulled back from recent rallies. The upward revision to the UK's 3Q GDP growth also offered positive support. GBP/MYR's morning move is consistent with our view of a minor correction (after the selloff in mid-week) and stabilisation with upsides capped at 5.6495 for now.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6000	5.6180	5.6338	5.6495	5.6665

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.4% higher at 3.0261. The aussie dollar recovered substantially amid a dollar reversal, leaving AUD/MYR to edge up slightly higher despite a broad-based risk aversion. Upside is capped at 3.0314 by broadly risk-off mood and lower commodity prices, with focus shifting to the RBA's meeting next week.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0000	3.0117	3.0250	3.0314	3.0405

Source: Bloomberg, HLBB Global Markets Research

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