

3 September 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened little changed at 4.1565. USD/MYR broke a seven-day losing streak in the previous session. The latest moves are in line with our view that the breaking of multiple support levels in the past week has reinstated the bearishness in the pair but the oversold condition may lead to some recovery in the short term. We expect the pair to stabilise at current level ahead of tonight's US job data before focus shifts to next week's BNM meeting.

1-Month Outlook – MYR Bearish

We are neutral to 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, prompting a knee-jerk selloff in the USD. On the local front, Malaysia continues to report higher vaccination rates which would allow it to move on to the next phase of its National Recovery Plan but the daily infections remain high around the 20,000 mark.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1200	4.1400	4.1530	4.1700	4.1900

MYR Crosses

EUR/MYR



EUR/MYR Neutral to Bullish

EUR/MYR opened 0.2% higher at 4.9378 following a firmer EUR/USD overnight. The stabilisation of MYR also offers some support to EUR/MYR. Focus remains on the US NFP job report before next week's ECB meeting. The surge in the Eurozone's CPI to a 10-year high alongside the Fed's plan to taper bond buying this year present a challenge to the ECB's policy communication as it faces growing pressure to taper its stimulus program.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.9000	4.9269	4.9373	4.9461	4.9653

GBP/MYR



GBP/MYR Neutral to Bullish

GBP/MYR opened 0.3% higher at 5.7539. GBP/USD broke the critical 1.38 level as bulls brushed off less positive UK headlines and focus on USD weakness. The stabilisation of MYR may continue to support GBP/MYR today. The UK's Markit services PMI due afternoon is unlikely to move market as the attention is on the US job data.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.7232	5.7464	5.7516	5.7761	5.8000

AUD/MYR



AUD/MYR Neutral to Bullish

AUD/MYR opened 0.1% higher at 3.0763. AUD/USD sustains strength at circa 0.74 this morning, as commodity prices rallied. AUD/MYR is expected stay supported throughout today's session ahead of NFP before the RBA's meeting takes the spotlight next week. A decision to delay the September tapering may weigh on AUD.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0280	3.0507	3.0768	3.0863	3.1000

Source: Bloomberg, HLBB Global Markets Research

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