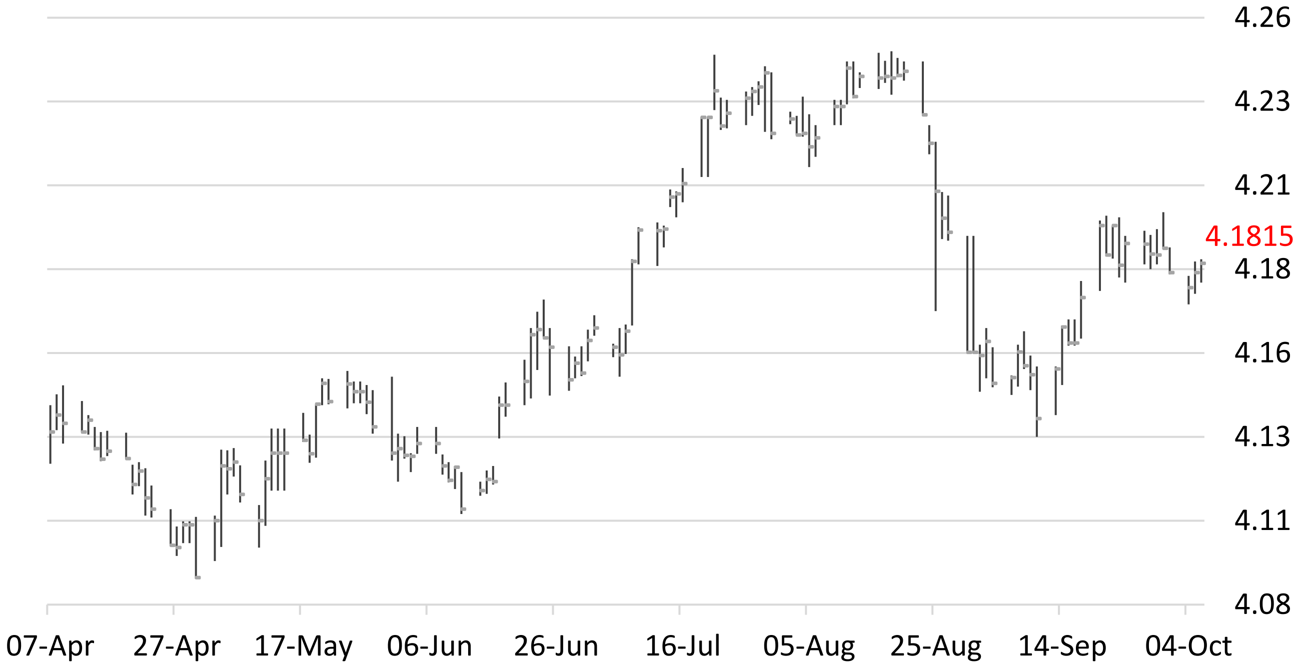
6 October 2021

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 4.1760. USD/MYR continued to trade steadily amid a lack of fresh catalysts on the local front as it stayed constrained within 4.1740-4.1840. This is in line with our neutral weekly outlook for the pair that takes into account some dollar consolidation this week. We continue to expect a weekly trading range of 4.16-4.20.

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	4.1815	4.1900	4.2000

MYR Crosses

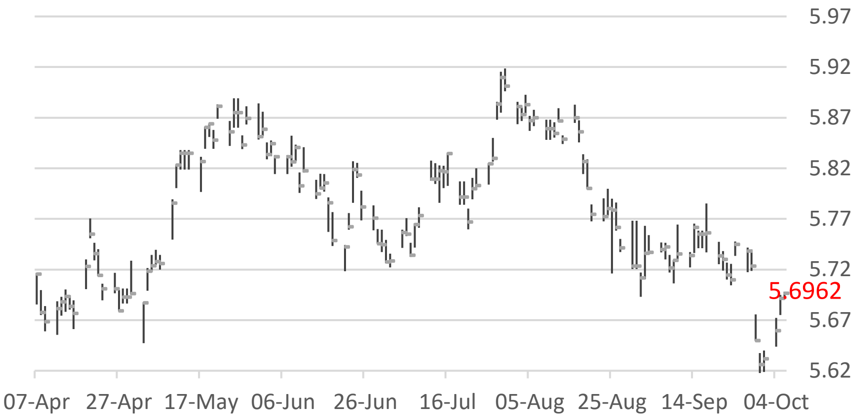
EUR/MYR

EUR/MYR Neutral

EUR/MYR opened little changed at 4.8457. EUR/USD stayed just a tad below 1.16 amid the USD resurgence with support at 1.1580. A failure to maintain 1.1580 paves the way for further down moves. The lack of catalysts and cautious sentiment ahead of the US job data, however, may constrain movement. EUR/MYR remains neutral, trading within a tight range.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8250	4.8360	4.8483	4.8550	4.8759

GBP/MYR

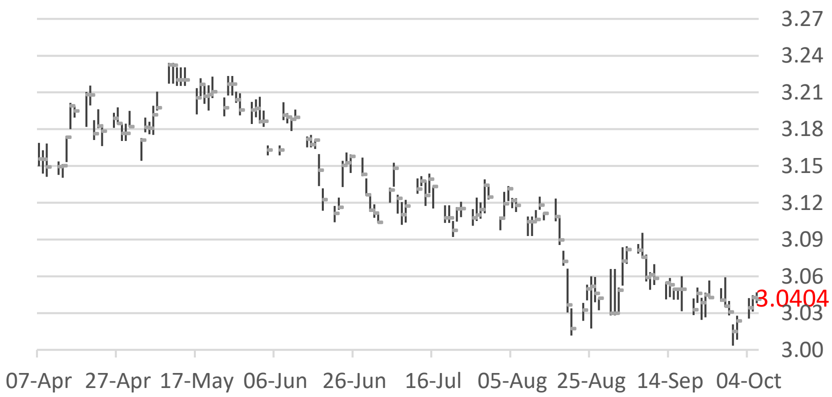


GBP/MYR Neutral to Bullish

GBP/MYR opened little changed at 5.6945. GBP/USD retained its bullish momentum overnight despite the dollar gaining ground. GBP/USD remains in recovery mode, aiming 1.3650 before targeting 1.3700 next, supported by expectations of a BOE rate hike next year. We maintain a neutral to bullish outlook for GBP/MYR, taking into account a stronger GBP and a relatively steady MYR.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6400	5.6600	5.6962	5.7006	5.7185

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.1% higher at 3.0457. AUD/USD was unfazed by the RBA's more optimistic statement on Tuesday; the pair however took some beatings from the RBNZ's 25-basis-point OCR hike and hawkish stance. We turn neutral on AUD/MYR on the renewed AUD weakness.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0117	3.0209	3.0404	3.0495	3.0600

Source: Bloomberg, HLBB Global Markets Research

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