

6 December 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to Bearish

USD/MYR opened little changed at 4.2275 and strengthened to above 4.2300 as of writing. In the week ahead, we remain neutral-to-bullish on USD/MYR, as broad risk aversion in the markets will likely continue to buoy USD strength, keeping demand for risks at bay. We expect the pair to maintain a weekly range of 4.20-4.25, with 4.25 serving as a key psychological resistance.

1-Month Outlook – MYR Bullish

We expect the MYR to be relatively resilient in the medium term, taking into account further economic recovery after the government relaxed more Covid-19 related restrictions. This also takes into account our view that the broader USD is also expected to strengthen modestly supported by Fed rate hike expectations and likely outperformance of recovery in the US. That said, the emergence of the Omicron variant could potentially derail the recovery and policy normalization path.

	S2	S1	Indicative	R1	R2
USD/MYR	4.2000	4.2200	4.2330	4.2400	4.2500

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened little changed at 4.7824. EUR/USD failed to maintain momentum above 1.1300 this morning. We maintain a neutral outlook on EUR/MYR, in the absence of major EUR related drivers and lingering USD strength (NFP confirms Fed will go ahead to taper QE, uncertainties over Omicron) The Sentix Confidence Index due today may offer the state of investor sentiment but only a drastic change in reading may affect EUR's movement.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.7487	4.7750	4.7799	4.7900	4.8120

GBP/MYR



GBP/MYR Neutral to Bearish

GBP/MYR opened 0.3% lower at 5.5997, in response to last Friday's weakening of the sterling. After breaking below 1.3300, GBP bears are targeting 1.3200 next; similarly Omicron uncertainties, Fed's tapering are expected to lend support to the USD, weighing on GBP. Likewise, GBP/MYR is expected to trade on a neutral to bearish note on the back of weaker GBP outlook, with immediate support at 5.6000. A breach below would target 5.5800 next.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5800	5.6000	5.6036	5.6221	5.6450

AUD/MYR



AUD/MYR Neutral

AUD/MYR 0.5% lower at 2.9690, edging up to above 2.9700 to suggest some stabilisations. The Aussie remains vulnerable to risk aversion and USD strength amid said uncertainties over the Omicron variant. After the sharply lower opening this morning, AUD/MYR is expected to trade on a more neutral note ahead of tomorrow's RBA meeting.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9500	2.9640	2.9724	2.9850	3.0050

Source: Bloomberg, HLBB Global Markets Research

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