

7 December 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 4.2315. Easing risk aversion and fading Omicron concerns in the broad market is expected to withhold USD strength today, rendering USD/MYR a neutral daily outlook. For the week, we remain neutral-to-bullish on USD/MYR as expectations for a quicker Fed tapering may continue to buoy USD strength. 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	4.2335	4.2400	4.2500

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened 0.1% lower at 4.7757. EUR/USD weakened overnight despite easing dollar strength as Germany's factory orders data disappointed. Pair continues to hover near 1.1300 levels with little drivers for a breakthrough. Lingering USD strength supported by expectations of a quicker Fed tapering is likely capping the upside potentials for EUR. We maintain a neutral outlook for EUR/MYR, expecting it to trade within recent range.

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

GBP/MYR

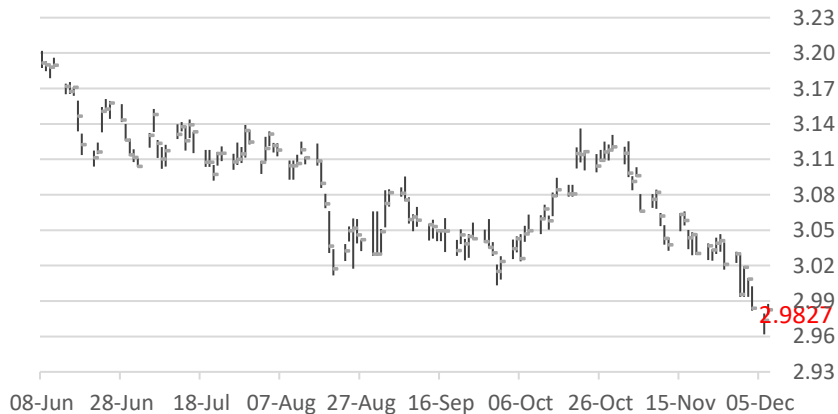


GBP/MYR Neutral to Slightly Bullish

GBP/MYR opened little changed at 5.6137. GBP/USD ticked higher this morning, extending the up moves overnight. Overcoming 1.3300 resistance remains a tough effort as lingering USD strength, Brexit-related concerns keep the GBP bulls at bay. GBP/MYR looks to be supported above 5.6000 and may seek to break 5.6270 next.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5800	5.6000	5.6193	5.6270	5.6450

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.3% higher at 2.9836 after AUD/USD recovered overnight amid higher oil prices and easing risk aversion. Nonetheless, the aussie dollar remains vulnerable to USD strength that may be spurred by hawkish Fed expectations. RBA's meeting at noon today is expected to offer guidance. The broad consensus remains for the RBA to maintain its policy but traders are looking for signals that it may quicken its asset tapering.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9640	2.9779	2.9827	2.9900	3.0050

Source: Bloomberg, HLBB Global Markets Research

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