

8 September 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 4.1580 and was little changed since then. USD/MYR had regained some footing and rose moderately in the previous session. The resurgence of the broader USD may continue to support the pair but we continue to expect cautious trading ahead of tomorrow's BNM meeting where the OPR is expected to remain unchanged. No change to the weekly expected range of 4.13-4.17.

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	4.1575	4.1700	4.1900

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened 0.2% lower at 4.9211. EUR/USD was pressured modestly by higher UST yields and stronger dollar. The downside of EUR was limited by the anticipation for Thursday's ECB meeting where markets are looking for a change in the PEPP's bond buying pace.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.9000	4.9115	4.9256	4.9382	4.9500

GBP/MYR



GBP/MYR Neutral to Bearish

GBP/MYR opened 0.3% lower at 5.7256. GBP/USD weakened to below 1.38 on stronger USD even as well as BOE policy maker Michael Saunders' rather dovish remarks. The absence of GBP-related data and key events means that USD direction will remain the driving factor. GBP/USD may extend declines to today's session further below 1.3800, weighing on GBP/MYR simultaneously.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.7000	5.7232	5.7309	5.7661	5.7928

AUD/MYR



AUD/MYR Neutral to Bearish

AUD/MYR opened 0.2% lower at 3.0693. AUD/USD slipped below 0.7400 as USD firmed up and the RBA delayed next tapering decision to mid-Feb next year. Risk-off sentiments arising from weaker global growth outlook is expected to weigh on the AUD.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0500	3.0619	3.0740	3.0863	3.1000

Source: Bloomberg, HLBB Global Markets Research

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