8 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 4.1835. MYR has been holding up relatively well despite recent USD strength. Rally in commodity prices, both oil and CPO, is expected to bode well for MYR in the near term, alongside the anticipation for further relaxation of Covid-19 restrictions such as the upcoming reopening of the interstate border. We maintain our neutral USD/MYR outlook following the mixed USD performance overnight and await tonight's US job report to offer guidance.

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	4.1840	4.1900	4.2000

MYR Crosses

EUR/MYR

EUR/MYR Neutral

EUR/MYR opened little changed at 4.8351. EUR/USD continued to trade on a bearish note, sticking around circa 1.1550 on the back of resilient USD. The break below 1.1580 recently has opened up doors for further downside. Cautiousness ahead of the US key job data, however, may constrain movement. EUR/MYR remains neutral in our view, trading within a tight range for now in the absence of fresh catalysts.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8000	4.8148	4.8349	4.8558	4.8794

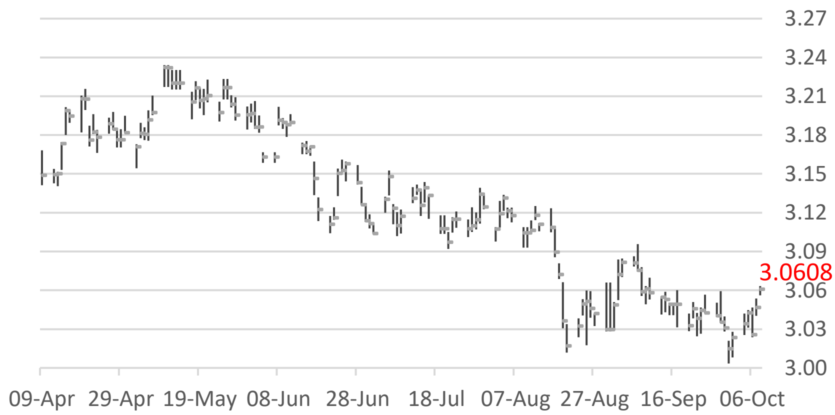
GBP/MYR

GBP/MYR Neutral to Slightly Bullish

GBP/MYR opened 0.2% higher at 5.6965. The streling pressed on with recovery despite some recent setbacks as perceivably riskier currencies rallied overnight. BOE rate hike expectations, however, is expected to provide some support to the sterling. We maintain a neutral to bullish outlook for GBP/MYR, taking into account a stronger GBP and a relatively steady MYR outlook.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6600	5.6788	5.6965	5.7200	5.7415

AUD/MYR



AUD/MYR Neutral to Slightly Bullish

AUD/MYR opened 0.5% higher at 3.0603. AUD/USD gained alongside other commodity currencies overnight, supported by positive US debt-ceiling related headlines. Improved risk sentiments alongside the rebound in crude oil prices are set to lend further support to AUD, hence our neutral to slightly bullish AUD/MYR outlook today.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0333	3.0500	3.0608	3.0714	3.0850

Source: Bloomberg, HLBB Global Markets Research

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