

9 December 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened 0.1% lower at 4.2205 and receded further to 4.2175 as of writing. USD/MYR is expected to trade on a neutral note today, as the market turned cautious over mixed Omicron-related headlines. For the week, we remain neutral-to-bullish on USD/MYR as expectations for a quicker Fed tapering and stronger US CPI 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	4.2100	4.2175	4.2350	4.2500

MYR Crosses

EUR/MYR



EUR/MYR Neutral to Slightly Bullish

EUR/MYR opened 0.5% higher at 4.7929. We are neutral to bullish on EUR/MYR, taking into account the higher opening level this morning. Overnight, EUR/USD had staged a rebound amid retreating USD strength, returning back above 1.1300 mark but potential upsides are likely capped at 1.1350 as uncertain sentiments dominate the market. Watch out for US CPI and potential reintroduction of stricter Covid rules by European governments.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.7645	4.7738	4.7802	4.8009	4.8150

GBP/MYR



GBP/MYR Bearish

GBP/MYR opened 0.3% lower at 5.5805. GBP/USD weakened overnight as the UK government introduced new "Plan B" restrictions and warned of exponential growth of Covid infections. Uncertainties surrounding the pandemic and next week's BOE decision as well as the expectations over quicker Fed tapering weigh on the market, rendering a bearish outlook for GBP/MYR.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5500	5.5650	5.5680	5.6000	5.6264

AUD/MYR



AUD/MYR Neutral to Slightly Bullish

AUD/MYR opened 0.5% higher at 3.0286. AUD/USD continued to advance overnight as the USD weakened and oil prices extended gains. AUD/USD retreated to 0.7160 after failing to break 0.7200 against a backdrop of cautious sentiments and mixed China's inflation data. We are neutral to slightly bullish on AUD/MYR taking into account the higher opening for the pair this morning but expect upsides capped at 3.0326.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0000	3.0150	3.0208	3.0326	3.0500

Source: Bloomberg, HLBB Global Markets Research

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