10 September 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 4.1475. USD/MYR was unfazed by the widely expected BNM's decision to keep OPR unchanged at 1.75%. Despite some reversal in broad USD, we continue to expect cautious trading ahead of the weekend as the pair is likely to hover at 4.14-4.15 levels in the absence of event risks.

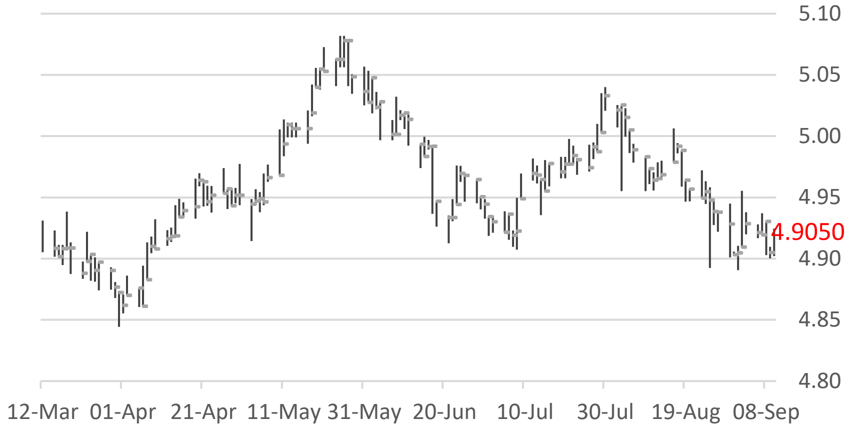
1-Month Outlook – MYR Bearish

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	4.1490	4.1700	4.1900

MYR Crosses

EUR/MY

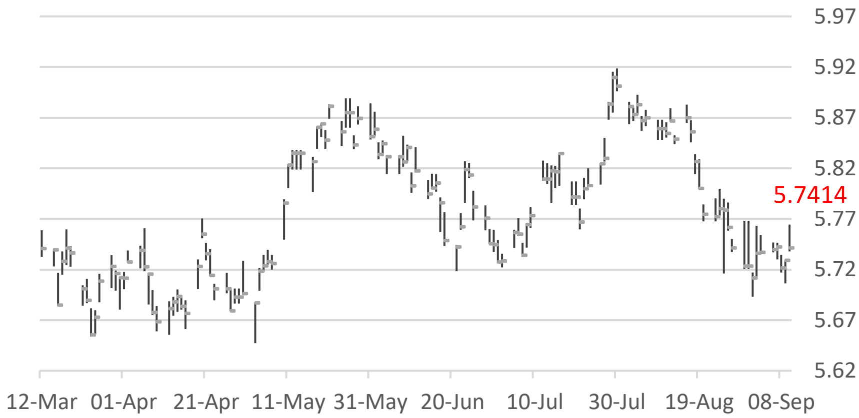


EUR/MYR Neutral to Slightly Bullish

EUR/MYR opened little changed at 4.9050. The reversal in dollar strength helped boost the single-currnecy even as EUR/USD struggled to find direction immediately after the ECB's decision to slow its bond purchase pace. We are neutral to slightly bullish on EUR/MYR today as EUR/USD attempts to defend its strength above 1.18 levels.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8850	4.9000	4.9050	4.9229	4.9389

GBP/MYR

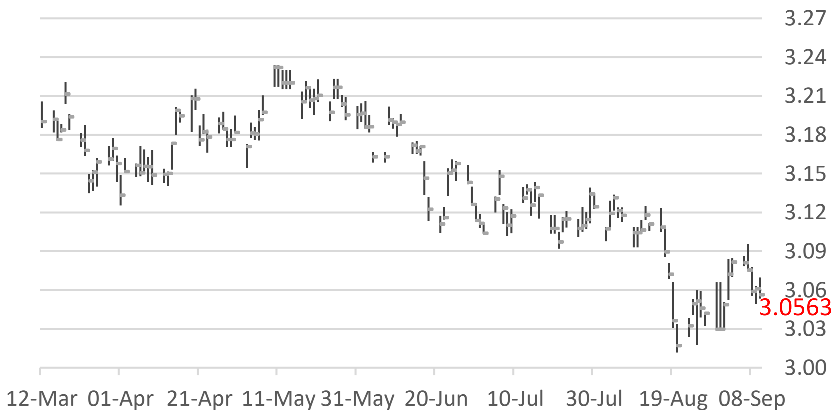


GBP/MYR Neutral to Bullish

GBP/MYR opened 0.2% higher at 5.7409. Broad USD weakness is expected to drive gains in the sterling today as it targets 1.40 just ahead of July key growth indicators (scheduled for afternoon). July was the month when the UK fully reopened its economy and traders may be betting on some positive surprises.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.7000	5.7305	5.7414	5.7616	5.7928

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.1% lower at 3.0566. We are neutral on AUD/MYR as AUD/USD stays below 0.74 despite broad USD weakness. AUD may struggle to find direction amid poorer sentiments arising from global growth slowdown as well as mixed commodity-related headlines. Focus is on next week's Australia job data.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0290	3.0500	3.0563	3.0619	3.0727

Source: Bloomberg, HLBB Global Markets Research

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