

12 October 2021

Global Markets Research
Mid-day Currency Outlook
USD/MYR


Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to Bullish

USD/MYR opened 0.1% higher this morning at 4.1750, following the overnight resurgence in broad USD but have slipped to 4.1720 as of writing. We remain neutral to bullish on MYR in the short term expecting the reopening of the interstate borders within Malaysia alongside the rallies in crude oil and CPO prices to offer support to the local currencies, although the upside maybe capped by the pre-FOMC minutes and US CPI jittery, which may be potential swing factors in the FX space this week.

1-Month Outlook – MYR Bullish

We have revised our medium term outlook to reflect a stronger MYR as the Malaysian economy moves forward to relax more Covid-19 restrictions, with higher commodity prices offering added support to the ringgit while also taking into account the Federal Reserve's possible kickstart of policy normalisation in November.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1580	4.1635	4.1720	4.1875	4.2000

MYR Crosses

EUR/MYR



EUR/MYR Neutral to Slightly Bearish

EUR/MYR opened little changed at 4.8181. EUR/USD failed to break 1.1580 and slumped to circa 1.1500 amid USD strength. The lack of EUR-related catalysts point to USD driven movements with focus now shifting to US job openings, followed by the US CPI and FOMC minutes. We remain neutral to slightly bearish on EUR/MYR as further down moves may be limited by the oversold RSI condition.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8000	4.8150	4.8198	4.8350	4.8500

GBP/MYR

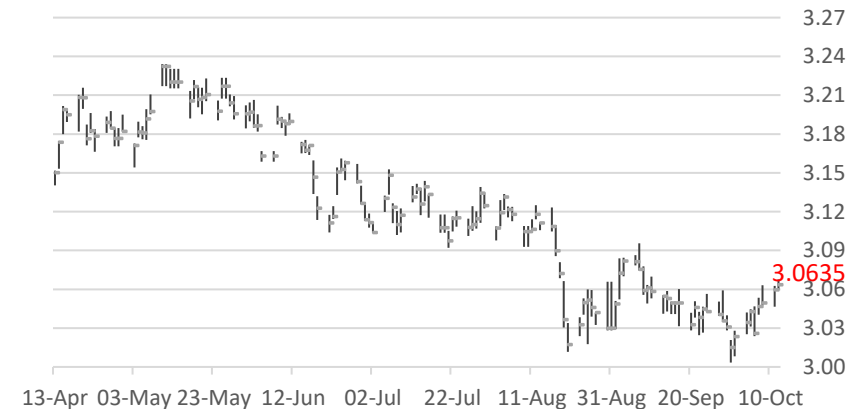


GBP/MYR Neutral

GBP/MYR opened 0.4% lower at 5.6678 after the sterling weakened overnight. GBP/USD stays relatively resilient despite the USD resurgence as GBP bulls strive to retake 1.36. BOE rate hike expectations is expected to continue providing some support to the sterling but some Brexit related concerns as well as pre-data jittery (UK job report due today) may still limit GBP/MYR to a tight range today.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6458	5.6589	5.6722	5.6941	5.7214

AUD/MYR



AUD/MYR Neutral to Slightly Bullish

AUD/MYR opened 0.2% higher at 3.0645. AUD/USD trimmed some gains this morning after having defied the trend overnight to be the sole G10 winner against the USD. We are neutral to bullish on AUD/MYR after the higher opening. Besides, the bullish momentum for AUD/USD stays intact, targeting a rebound to 0.7350, partly supported by NSW reopening optimism and the higher oil prices. Focus now is on the Australian job data.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0356	3.0496	3.0635	3.0689	3.0800

Source: Bloomberg, HLBB Global Markets Research

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