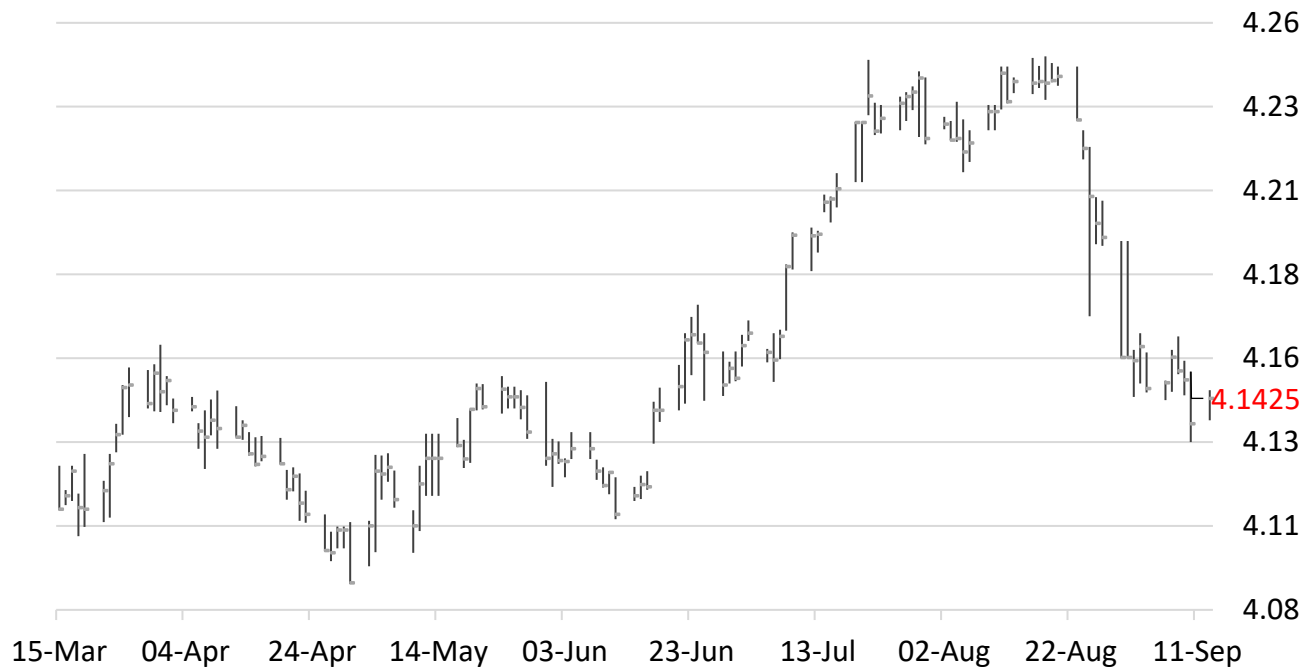


13 September 2021

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 4.1365. We are neutral on the pair today amid cautious sentiment and a lack of market driver. On a weekly basis, we are neutral to slightly bearish on the pair as the MYR’s resilience has been underpinned by continuous portfolio demand flows, maintaining a range of 4.13-4.17. Phased reopening of the domestic sectors coupled with a neutral BNM signalling further policy easing is not on the cards, and shall be supportive of the MYR going forward.

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	4.1180	4.1300	4.1425	4.1500	4.1700

MYR Crosses

EUR/MY



EUR/MYR Neutral

EUR/MYR opened 0.2% lower at 4.8847. EUR/USD hovers at just a touch above 1.18 as USD rose alongside higher US yields. Now that the ECB's decision is behind us, we are neutral on the single-currency this week as bullish momentum fades ahead of multiple US data as well as the Eurozone's own inflation reading.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8725	4.8850	4.8899	4.9000	4.9200

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.2% lower at 5.7231. The sterling was resilient last Friday despite the broad-based USD strength. This was despite a series of data showing weaker UK growth in July. We are neutral on GBP/MYR today as technical indicators are relatively subdued while markets are set for a busy week full of key UK data such as the job report, CPI and retail sales.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6806	5.7000	5.7298	5.7582	5.7878

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.4% lower at 3.0460. We remain neutral on the aussie dollar as AUD/USD remained capped below 0.74 amid cautious sentiments. AUD may struggle to find direction amid poorer sentiments arising from global growth slowdown as well as mixed commodity-related headlines. Focus is on this week's Australia job data after the RBA made certain of its tapering decision last week.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0117	3.0290	3.0480	3.0624	3.0821

Source: Bloomberg, HLBB Global Markets Research

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