

13 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 little changed at 4.1650, breaking 4.1600 support as of writing. The reopening of the interstate borders within Malaysia alongside the rallies in crude oil and CPO prices have continued to offer support to the local currency despite the broad USD resurgence globally. The pair now shifts its next target to 4.1535 although pre-FOMC and US CPI caution may hold back the pair.

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	4.1450	4.1535	4.1585	4.1731	4.1875

MYR Crosses

EUR/MYR



EUR/MYR Neutral to Slightly Bearish

EUR/MYR opened 0.2% lower at 4.8019. EUR/USD continues to trade on a bearish note at circa 1.1540, hitting the fresh 2021 low of 1.1528 at one point amid the broad USD strength. We remain neutral to slightly bearish on EUR/MYR on MYR strength but further down moves may be limited by the oversold RSI condition. FOMC minutes and US CPI eyed.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.7850	4.8000	4.8055	4.8271	4.8482

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.3% lower at 5.6542 thanks to stronger MYR. The sterling resilience continues to play out as GBP bulls strives to retake 1.36 despite broad USD strength. The positive job data had offered some added support. Today's output indicators, if turn out positive may further reinforce BOE's rate hike expectations. Outlook for GBP/MYR is neutral for now.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6458	5.6589	5.6626	5.6768	5.6941

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.5% lower at 3.0540 largely because of MYR strength as AUD/USD stayed within a tight range. Reopening optimism and rally in commodity prices are expected to lend support to AUD in the near term but cautious trading ahead of Chinese trade data, FOMC minutes and US CPI data is expected to keep bulls in check.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0356	3.0496	3.0549	3.0689	3.0800

Source: Bloomberg, HLBB Global Markets Research

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