

14 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 0.2% lower at 4.1500 and stayed just a tad above the level as of writing. The down moves followed overnight's USD weakness and is in line with our neutral to bullish outlook for MYR in the short term. The reopening optimism and recent rallies in crude oil and CPO prices have continued to offer support to the local currency, and the weaker USD reinforced bullish MYR sentiment today with immediate support at 4.1500. A breach below 4.1500 paves way for one-month low of 4.1455.

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	4.1455	4.1500	4.1515	4.1635	4.1750

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened 0.3% higher at 4.8242. EUR/USD turned around from the recent slump, aided by the post-FOMC minutes dollar weakness, but remains capped below 1.16. This in turn helped EUR/MYR to rebound from 4.8000 levels, in line with our previous expectations of limited losses amid the pair's oversold RSI condition. We turned neutral on EUR/MYR expecting strength in both components to limit the cross' movements.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8000	4.8100	4.8139	4.8268	4.8482

GBP/MYR

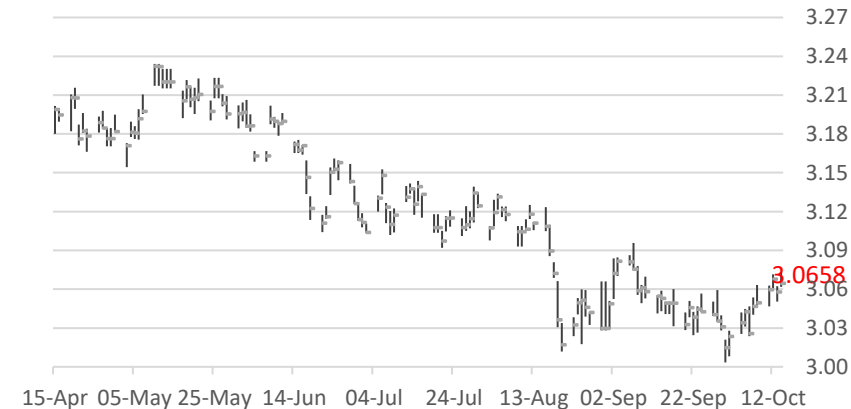


GBP/MYR Neutral

GBP/MYR opened 0.3% higher at 5.6861. GBP bulls decisively retook 1.36 amid USD weakness and eye recovery to 1.37 next. Continued output recovery in the UK also reinforces the BOE's rate hike expectations. Despite our bullish view for GBP, outlook for GBP/MYR is neutral after the knee-jerk reaction in the morning in view of concurrent MYR strength.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6450	5.6587	5.6742	5.6768	5.6941

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.4% higher at 3.0714. AUD/USD holds up relatively steady this morning as Australia's jobless rate rose less than expected to 4.6%, although participation rate was down by 7pts due to lockdowns. Traders also digest the mixed Chinese inflation data that showed an accelerating PPI rate to 26-year high but a softer CPI. AUD/MYR is neutral after the pair gave up early morning gains and is likely staying circa 3.0650.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0484	3.0600	3.0658	3.0800	3.0950

Source: Bloomberg, HLBB Global Markets Research

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