

15 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 4.1550 and is seen stabilising at this level following the down moves in the previous session. While we remain neutral to bullish on MYR amid support from broad USD weakness, local reopening optimism and further climb in crude oil prices, the downside is likely limited ahead of the weekend with immediate support remaining at 4.1500. A breach below 4.1500 paves way for a 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	4.1545	4.1635	4.1750

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened 0.2% lower at 4.8151. The lack of strong thrust in EUR/USD caps the pair right at 1.1600, despite the broad USD weakness. We remain neutral on EUR/MYR as both components stabilise today in the absence of a potential catalyst. Focus next shift to Eurozone's Markit PMI next week.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8000	4.8100	4.8191	4.8268	4.8482

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.3% lower at 5.6781. The sterling's recovery bid extended into today's session as bulls continues to aim for 1.37; but with MYR maintaining its bullish momentum, the GBP/MYR cross may see a more lacklustre trading, and is expected to be capped below 5.6941 in the short term.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6540	5.6769	5.6823	5.6941	5.7150

AUD/MYR



AUD/MYR Neutral to Slightly Bullish

AUD/MYR opened little changed at 3.0798 and remains near this level. Both AUD and MYR are benefiting from the rally in global commodity prices and respective economic reopening but technical indicators are in favour of AUD for now, as it continues to gather positive momentum, leading AUD/MYR to target 3.0900 next.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0546	3.0685	3.0813	3.0900	3.1000

Source: Bloomberg, HLBB Global Markets Research

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