16 November 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR

Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to Slightly Bullish

USD/MYR opened little changed at 4.1620. We are neutral-to-slightly bullish on USD/MYR this week as the Fed rate hike expectations and cautious market sentiments may still keep USD strength intact. Negative momentum in USD/MYR is also reducing, suggesting likelihood of some upward moves to a potential range of 4.15-4.19 this week.

1-Month Outlook – MYR Neutral

We expect the MYR to be relatively resilient in the medium term, taking into account further economic recovery after the government relaxed more Covid-19 related restrictions. This also takes into account our view that the broader USD is also expected to strengthen modestly as the Federal Reserve's policy normalization pace is conducted less aggressively compared to other global central banks.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1400	4.1550	4.1610	4.1715	4.1800

MYR Crosses

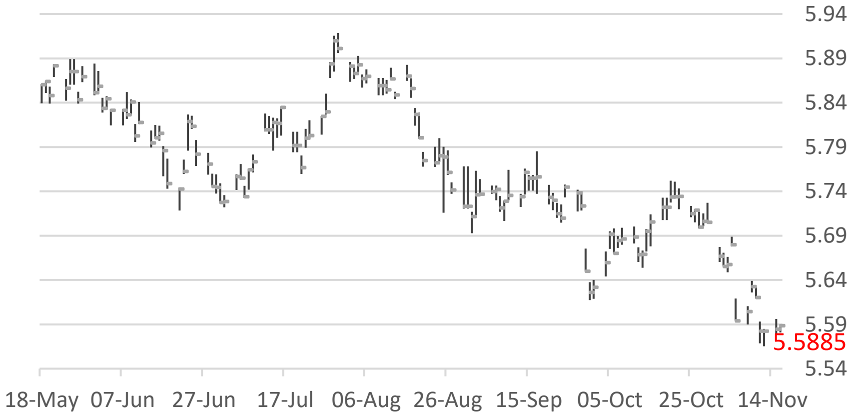
EUR/MYR

EUR/MYR Neutral to Bearish

EUR/MYR opened 0.7% lower at 4.7304. EUR/USD suffered steep losses amid stronger USD and higher US yields as it slumped below 1.14 for the first time since July last year. We are neutral to bearish on EUR/MYR today as EUR/USD continues to trade on a bearish note this morning, as the bears aim for 1.1350, but downsides may be capped by anticipation for the Eurozone's 3Q GDP data.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.7200	4.7300	4.7365	4.7500	4.7777

GBP/MYR



GBP/MYR Neutral to Bearish

GBP/MYR opened little changed at 5.5808. We maintain the neutral to bearish outlook on GBP/MYR this week amid a relatively resilient MYR while the sterling continues to display bearish technical momentum against a backdrop of Brexit uncertainties. Nonetheless, the UK's September job report is a crucial driver today. A positive surprise may offer some near-term support to GBP.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5500	5.5650	5.5885	5.6000	5.6270

AUD/MYR

AUD/MYR Neutral to Slightly Bullish

AUD/MYR opened 0.2% lower at 3.0568. AUD/USD traded slightly higher, supported by positive Chinese data in the prior session AUD. AUD remains vulnerable to dollar strength in our view but the Biden-Xi virtual meeting is offering some near-term support. The RBA minutes further reinforced its dovish stance and investors are paying attention to Governor Lowe's speech as of writing.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0325	3.0500	3.0614	3.0680	3.0825

Source: Bloomberg, HLBB Global Markets Research

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