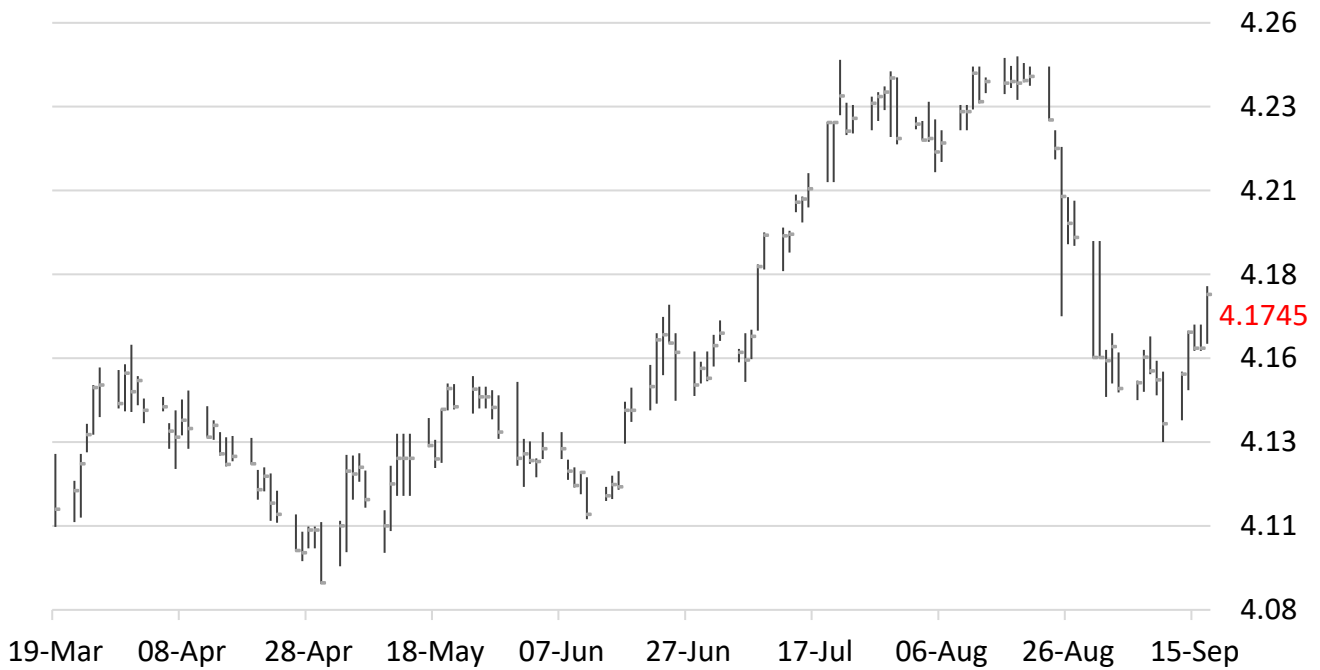


17 September 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to Bearish

USD/MYR opened little changed at 4.1595 and picked up momentum to above 4.17 amid the broad USD strength. Pair has now breached 4.17 resistance and is targeting 4.18 next. Anticipation for next week’s FOMC meeting may inspire further upside even though a September tapering is off the table now; the strong retail sales data indicative of consumer spending resilience supports the view of a November tapering.

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 at around the 20,000 mark.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1300	4.1530	4.1745	4.1800	4.2000

MYR Crosses

EUR/MYR

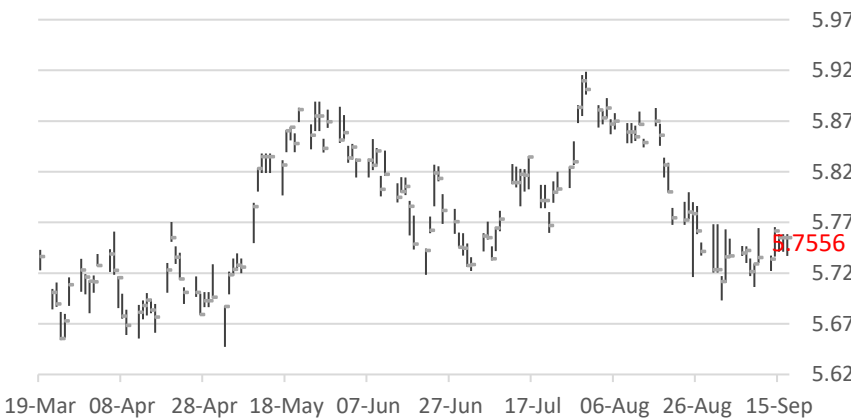


EUR/MYR Neutral

EUR/MYR opened 0.5% lower at 4.8919 but retraced to above 4.9100. This came as investors responding to mixed headlines surrounding an FT article about the ECB's unpublished inflation forecasts, which was claimed to be inaccurate by the ECB. After the swift correction, we foresee a more neutral trading for EUR/MYR today and focus shifts to the Eurozone's HICP inflation instead.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8725	4.8850	4.9106	4.9200	4.9326

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.3% lower at 5.7372. The sterling fell alongside other G10s amid USD strength with GBP/USD slipping below 1.38 as of writing. Anticipation for the UK's retail sales data this afternoon is expected to limit the movement of the sterling, thus our neutral outlook for GBP/MYR. After retail sales, investors eye next week's BOE meeting.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.7000	5.7353	5.7556	5.7619	5.7878

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.6% lower at 3.0318. This came as AUD/USD slipped further to levels below 0.73 on USD strength and poor Australian data. The concurrent weakening of AUD and MYR is expected to limit the AUD/MYR cross as it returned back to 3.04-3.05 range.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0117	3.0290	3.0410	3.0624	3.0821

Source: Bloomberg, HLBB Global Markets Research

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