

17 November 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 0.1% higher at 4.1725. The broad-based USD strength resulting from the positive US data helped push the pair higher this morning, in line with our expectations of a stronger USD/MYR this week. We maintain the neutral-to-slightly bullish outlook on USD/MYR 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 Bullish

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	4.1430	4.1615	4.1735	4.1825	4.2000

MYR Crosses

EUR/MYR

EUR/MYR Neutral to Bearish



EUR/MYR opened 0.4% lower at 4.7156. EUR/USD was pressured overnight by stronger than expected US data, leading us to maintain the neutral to bearish outlook on EUR/MYR today. The EUR/USD continues to trade on a bearish note this morning, as the bears now aim to hit 1.1300; oversold RSI conditions may limit the downsides.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.7000	4.7200	4.7246	4.7500	4.7672

GBP/MYR

GBP/MYR Neutral



GBP/MYR opened 0.3% lower at 5.5938. GBP/USD stayed relatively resilient when compared to other G10 currencies thanks to upbeat UK job data. Nonetheless, GBP/USD outlook remains capped below 1.3450 for now, unable to break 1.3480 in the prior session, amid lingering Brexit uncertainties. We turn neutral on GBP/MYR today awaiting the UK CPI data due this evening.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5650	5.5800	5.6044	5.6112	5.6300

AUD/MYR

AUD/MYR Neutral



AUD/MYR opened 0.5% lower at 3.0422. AUD/USD was among the top loser overnight as optimism from Biden-Xi meeting gave way to dollar strength and RBA's reinforcement of its dovish stance. AUD/USD stays at circa 0.7300 as markets appeared to have ignored the upbeat wage data released this morning that showed higher-than-expected q/q wage growth. We are neutral on AUD/MYR as both components traded weaker against USD.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0200	3.0325	3.0408	3.0586	3.0715

Source: Bloomberg, HLBB Global Markets Research

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