17 December 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR

Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened slightly lower at 4.2065 but has since traded higher, at 4.2098 at time of writing. We are neutral on USD/MYR today. Technical correction and pre-weekend selling pressure is expected to limit downside in the pair today although we noticed negative momentum has increased following yesterday's sharp move lower. We continue to see 4.20 as a key support with upside capped at 4.25. A break of 4.20 will pave the way towards 4.18, and 4.15 next, moving closer to our end-4Q forecast of 4.15.

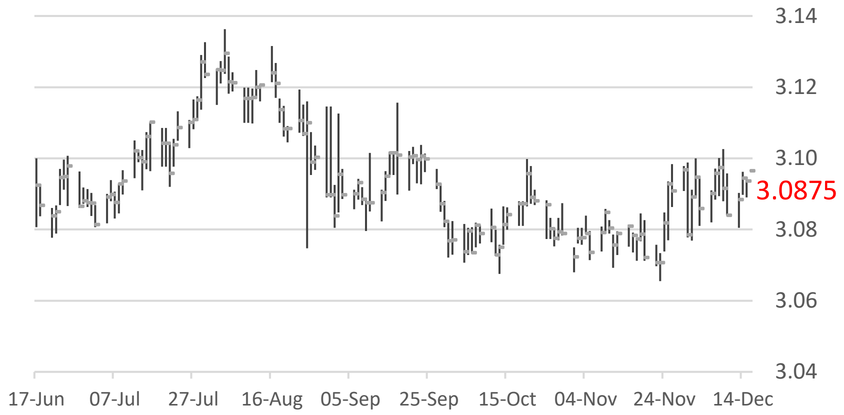
1-Month Outlook – MYR Bullish

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 supported by Fed rate hike expectations and likely outperformance of recovery in the US. That said, the emergence of the Omicron variant could potentially derail the recovery and policy normalization path.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1830	4.2000	4.2098	4.2185	4.2300

MYR Crosses

SGD/MYR



SGD/MYR Neutral

SGD/MYR opened 0.08% lower at 3.0860 and was seen hovering around this level at time of writing. We are neutral on the pair today expecting markets to stay sideways digesting policy implications yesterday. This morning's NODX data surprised on the upside as easing supply tightness boosted electronics exports, and shall be supportive of recovery outlook and the SGD. We expect the pair to continue to stay within a range of 3.08-3.10.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.0743	3.0809	3.0875	3.0938	3.1000

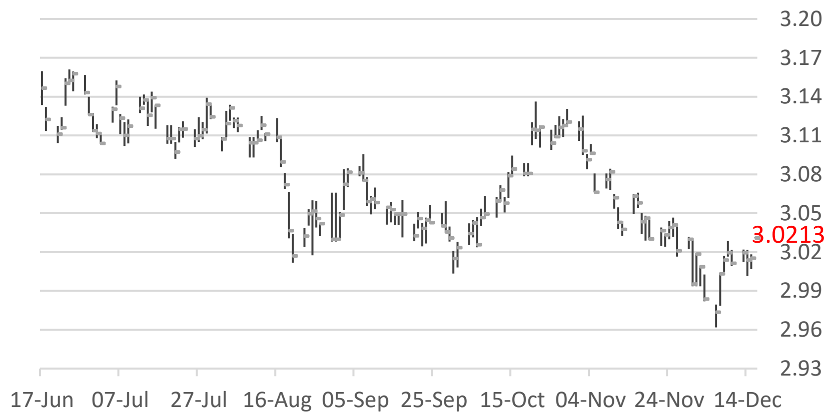
GBP/MYR

GBP/MYR Nuetral to Bullish

GBP/MYR opened 0.06% higher at 5.6054 and has since trended slightly higher. GBP/USD will be supported by BOE hawkish hike where market is now expecting another hike in 1Q22 although we continue to exercise caution over policy mistake as Omicron continues to ravage. Resistance lies around 5.62 while support is at 5.58 for now.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5659	5.5826	5.6086	5.6191	5.6424

AUD/MYR



AUD/MYR Neutral to Bearish

AUD/MYR opened 0.36% lower at 3.0189 but has since advanced to the 3.02 handle at time of writing, as markets were still trying to digest the series of central bank announcements and its implications. Daily ourlook for AUD/MYR is neutral with a bearish tilt stemming from the lower opening and mixed market sentiments in Asia trading this morning.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0000	3.0128	3.0213	3.0366	3.0426

Source: Bloomberg, HLBB Global Markets Research

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