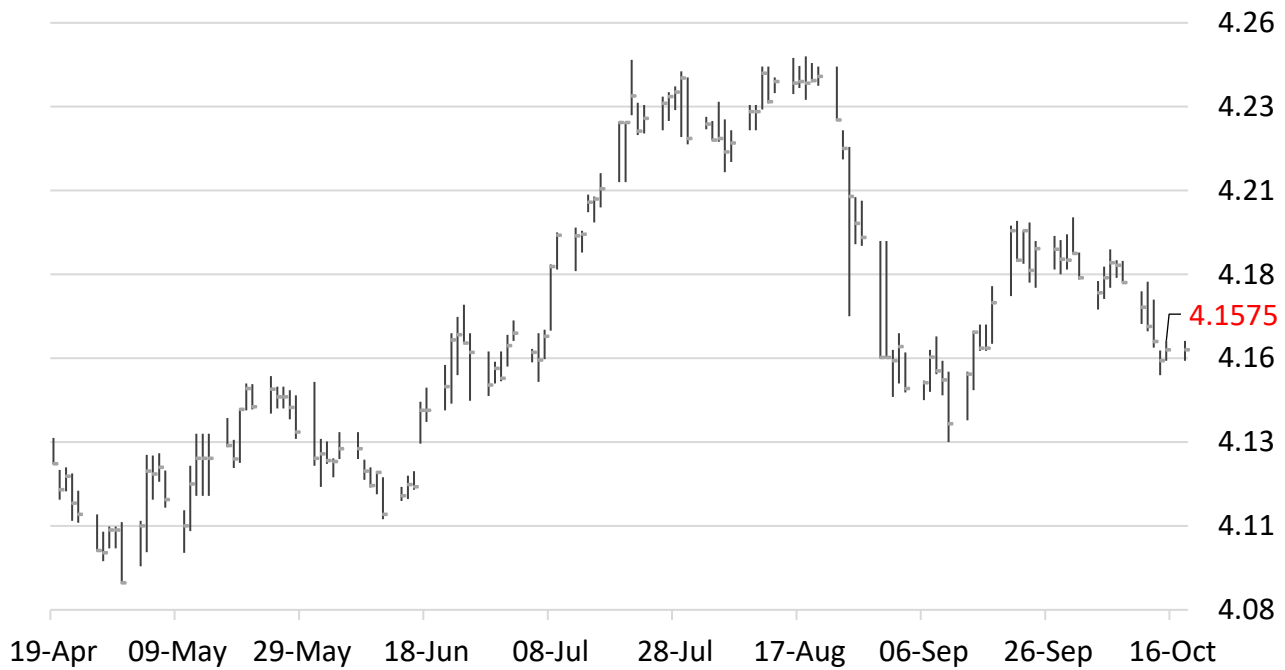


18 October 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened slightly higher at 4.1585 and is seen holding steady. USDMYR outlook is neutral with a bearish tilt in our view, in the absence of any MYR-detrimental drivers and a neutral USD outlook. We eye a range of 4.14-4.17 in this holiday shortened week. Downside likely capped by cautiousness ahead of 2022 Budget tabling on 29 October. 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	4.1575	4.1635	4.1750

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened 0.1% lower at 4.8214. We remain neutral on EUR/MYR today on the back of neutral outlook in both the EUR and MYR in the absence of a fresh catalyst. EUR/USD expected to range sideways within the 1.15-1.17 handles ahead of CPI and Markit PMI prints, which could turn out to be a potential catalyst to the pair.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8000	4.8100	4.8197	4.8268	4.8482

GBP/MYR



GBP/MYR Neutral to Bullish

GBP/MYR opened 0.3% higher at 5.7211 tracking the rally in the sterling last Friday. The sterling is expected to stay in a slightly bullish tone underpinned by BOE's hawkishness, hence our neutral to bullish view on GBP/MYR. This week's UK inflation, retail sales and Markit PMI readings will likely reinforce BOE's policy stance, lending support to the sterling.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6540	5.6777	5.7114	5.7167	5.7269

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.1% higher at 3.0868 but moved lower before a rebound post releases of a mixed bag of China data. Both AUD and MYR are benefiting from the rally in global commodity prices and further 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	3.700	3.0840	3.0900	3.1032

Source: Bloomberg, HLBB Global Markets Research

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