

18 November 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened 0.1% lower at 4.1750 as the dollar strength faded overnight. Cautious sentiment and the lack of major market driver are expected to constrain USD/MYR near the upper range of 4.1700-4.1800 for now, rendering a neutral daily outlook. We maintain the neutral-to-slightly bullish outlook on USD/MYR on a weekly basis as the Fed rate hike expectations and cautious market sentiments may still keep USD strength intact.

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	4.1795	4.1825	4.2000

MYR Crosses

EUR/MYR



EUR/MYR Neutral to Slightly Bullish

EUR/MYR opened little changed at 4.7312. EUR/USD trades slightly higher this morning, moving further away from the 1.1300 as dollar strength took a backseat. We are neutral to slightly bullish on EUR/MYR, expecting the lack of major driver and fading USD strength to keep the pair anchoring within 4.7250-4.7500 in the short term.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.7000	4.7200	4.7375	4.7500	4.7672

GBP/MYR



GBP/MYR Bullish

GBP/MYR opened 0.4% higher at 5.6382. The GBP came just behind JPY in strengthening against the USD. The UK CPI inflation hit 10-year high and the BOE rate hike expectations soared, overshadowing the lingering Brexit uncertainties. Upon breaking 1.3480, GBP/USD aimed towards crossing 1.3500 for further recovery. GBP/MYR is expected to move higher concurrently with immediate resistance at 5.6584.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6043	5.6314	5.6417	5.6584	5.6700

AUD/MYR



AUD/MYR Neutral to Bearish

AUD/MYR opened 0.2% lower at 3.0382. AUD/USD weakened further alongside CAD amid the selloff in crude oil and weaker risk sentiment. We are neutral to bearish on AUD/MYR, as AUD appears to be more vulnerable to poor risk sentiment and a resurgence in USD strength, compared to MYR.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0200	3.0300	3.0352	3.0450	3.0715

Source: Bloomberg, HLBB Global Markets Research

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