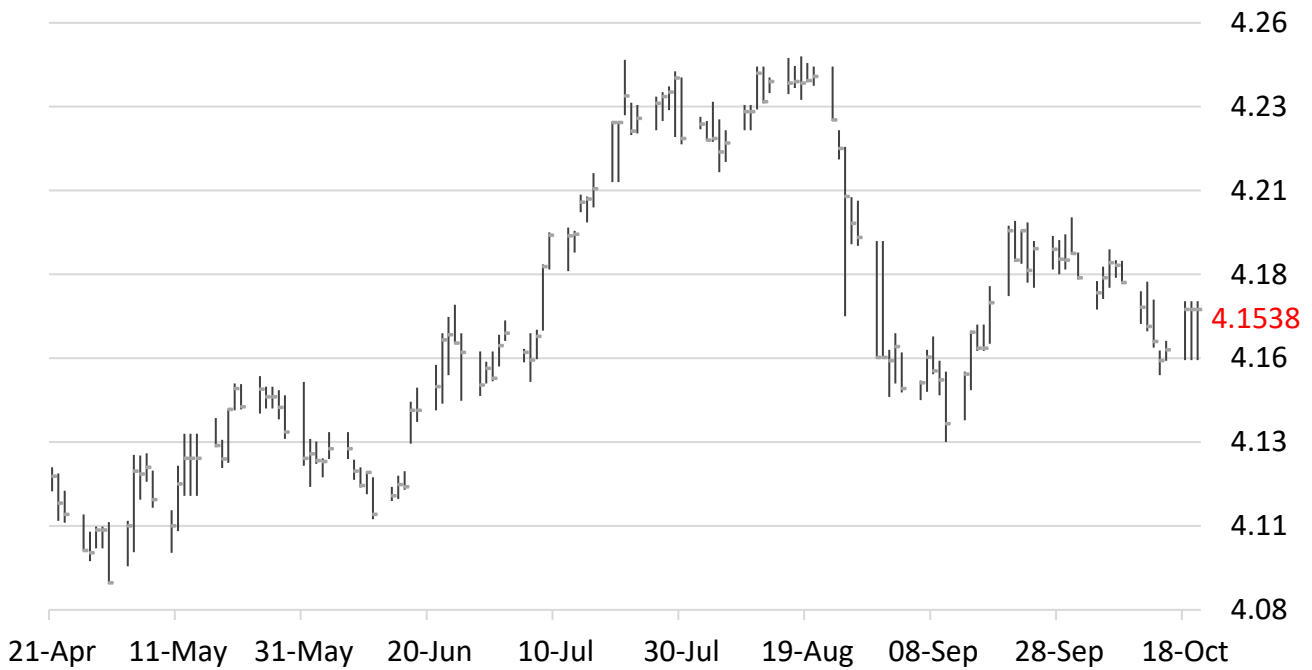


20 October 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to Bullish

USD/MYR opened 0.4% lower at 4.1540 today post market closure and was seen holding near this level at time of writing. USDMYR outlook remains neutral to slightly bearish in our view, in the absence of any MYR-detrimental drivers and an increasing negative momentum in the USD. We continue to 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.

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	4.1538	4.1750	4.1815

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened 0.4% higher at 4.8498 on the back of EUR strength as the greenback weakened. We remain neutral on EUR/MYR today in anticipation of sideways movements in both the EUR and MYR crosses. EUR/USD expected to range sideways within the 1.15-1.17 handles ahead of CPI today, which could turn out to be a potential catalyst to the pair.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8000	4.8100	4.8350	4.8392	4.8482

GBP/MYR

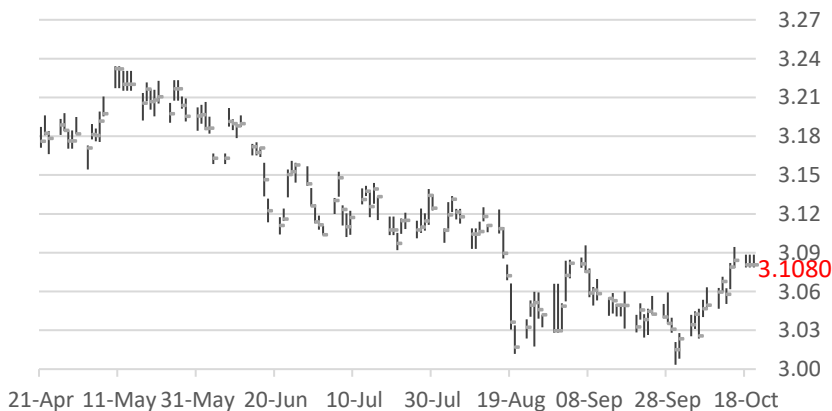


GBP/MYR Neutral to Bullish

GBP/MYR opened 0.5% higher at 5.7508 but has since pulled back to 5.73 levels at time of writing. The sterling is expected to remain bullish as the BOE reiterated its hawkish tone, 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	5.6926	5.7117	5.7306	5.7479	5.7726

AUD/MYR



AUD/MYR Neutral to Bullish

AUD/MYR jumped 1.2% to 3.1165 in today's opening trailing the rally in the Aussie yesterday but has retreated to 3.1080 at time of writing. 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. A breach of 3.0900 will likely push the pair higher to the 3.13 handle although we do not discount some pullback before the next move higher.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0877	3.0974	3.1080	3.1340	3.1453

Source: Bloomberg, HLBB Global Markets Research

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