

20 December 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 0.2% higher at 4.2300. After closing above 4.2200 last Friday, USD/MYR was seen inching higher, targeting 4.23 now on the back of stronger USD that was driven by a general sense of risk aversion and hawkish central bank policies. A failure to breach the level may leave the pair hovering near recent levels of 4.21-4.22. Malaysia will release November CPI on 24-December, where we are expecting an elevated reading in the 3.0% handle before tapering off in 1Q of next year.

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	4.2275	4.2300	

MYR Crosses

SGD/MYR



SGD/MYR Neutral

SGD/MYR opened 0.1% lower at 3.0869 and strengthened modestly above 3.0900 thanks to the relatively weaker MYR at the start of the day. We are neutral on the pair today expecting markets to stay sideways after MYR managed to rebound from early morning's decline. We expect the pair to continue staying within a range of 3.08-3.10.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.0743	3.0809	3.0908	3.0938	3.1000

GBP/MYR

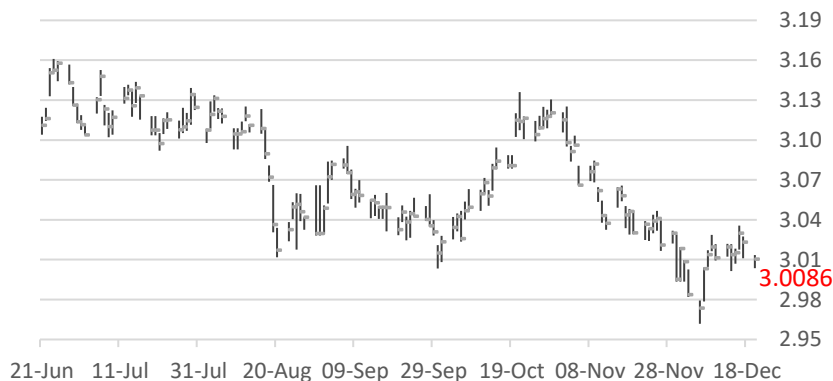


GBP/MYR Neutral to Bearish

GBP/MYR opened 0.7% lower at 5.5833 after the pound was battered by the USD resurgence last Friday. We are neutral to bearish on GBP/MYR, expecting the GBP weakness to extend to today's session as Omicron concerns intensified. The UK reported a record high daily cases last Friday- north of 92k. Resistance lies around 5.62 while support is at 5.58 for now.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5659	5.5826	5.5917	5.6191	5.6424

AUD/MYR



AUD/MYR Neutral to Bearish

AUD/MYR opened 0.7% lower at 3.0035, following the sharp losses registered by AUD/USD last Friday. For AUD/MYR, daily outlook is neutral to bearish as the PBOC's surprise 5bps cut in the 1-year loan prime rate spurs further risk aversion, indicative of a slower growth outlook in China (Australia's main trading partner).

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9690	2.9835	3.0086	3.0100	3.0250

Source: Bloomberg, HLBB Global Markets Research

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