

21 September 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 little changed at 4.1940. USD/MYR had rallied in the previous session as it made its largest single-day advance (+0.5%) in three months. The global risk aversion may lead the pair to break 4.20 today, paving way for 4.2200 next although some pre-FOMC caution and the lack of key US data may hold back the pair.

1-Month Outlook – MYR Bearish

We are neutral to bearish on MYR expecting USD/MYR to correct from the current low back to circa 4.20-4.23 levels especially after the Fed hinted it may start to taper its asset purchase program this year, prompting a knee-jerk selloff in the USD. On the local front, Malaysia continues to report higher vaccination rates which would allow it to move on to the next phase of its National Recovery Plan but the daily infections remain high at around the 20,000 mark.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1600	4.1750	4.1877	4.2000	4.2150

MYR Crosses

EUR/MYR

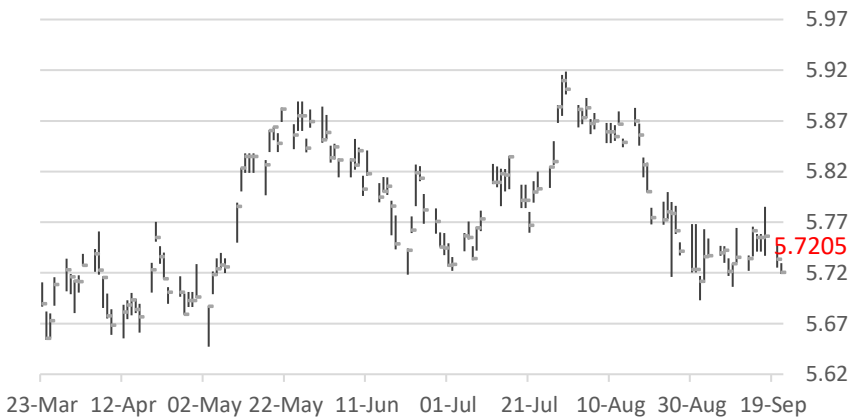


EUR/MYR Neutral

EUR/MYR opened 0.2% higher at 4.9172. EUR/USD was relatively resilient in the strong USD environment. EUR/MYR remains constrained within recent ranges as both EUR and MYR were weak against the USD. Attention is on the Eurozone's preliminary market PMIs and the FOMC meeting.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8850	4.9096	4.9122	4.9245	4.9410

GBP/MYR

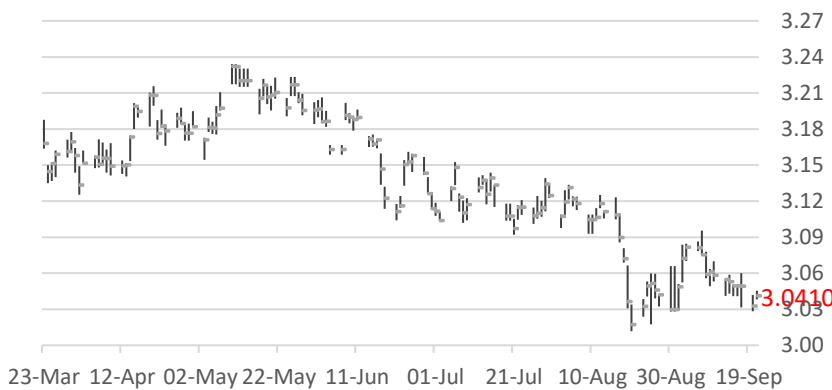


GBP/MYR Neutral

GBP/MYR opened little changed at 5.7284. The sterling was the worst performer among the G10s in the previous session as GBP/USD fell to monthly low. Pre-FOMC and BOE jittery are pressuring the sterling against dominating risk aversion. We remain neutral on the GBP/MYR after sharp down move in the prior session, anticipating limited movements ahead of event risks.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6880	5.7000	5.7205	5.7458	5.7668

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.4% higher at 3.0439. AUD/USD corrected from three-week low to trade slightly higher at circa 0.7250, RBA minutes affirmed view of no rate hike until 2024. Global risk aversion stemming from the Evergrande debt crisis pose threats to AUD but concurrent weakness in AUD and MYR suggests muted movement in the cross.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0117	3.0290	3.0410	3.0624	3.0821

Source: Bloomberg, HLBB Global Markets Research

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