

21 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 marginally lower at 4.1575 today and is currently trading around this level. USDMYR outlook remains neutral to slightly bearish in our view on the back of lingering USD weakness. We continue to eye a range of 4.14-4.17 in this holiday shortened week. Downside is likely capped by cautiousness ahead of 2022 Budget tabling on 29 October but a break of 4.15 will pave the way towards 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	4.1565	4.1750	4.1815

MYR Crosses

EUR/MYR



EUR/MYR Neutral to Bullish

EUR/MYR continued to open higher, by 0.2% at 4.8471 on the back of extended EUR/USD gains above the 1.16 handle, reinforced by the higher CPI print in the Eurozone. We are neutral with a bullish tilt on EUR/MYR amid firm outlook in the EUR vis-à-vis MYR as the USD stays weak. Focus will shift to key Markit PMI data tomorrow.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8147	4.8239	4.8482	4.8551	4.8667

GBP/MYR

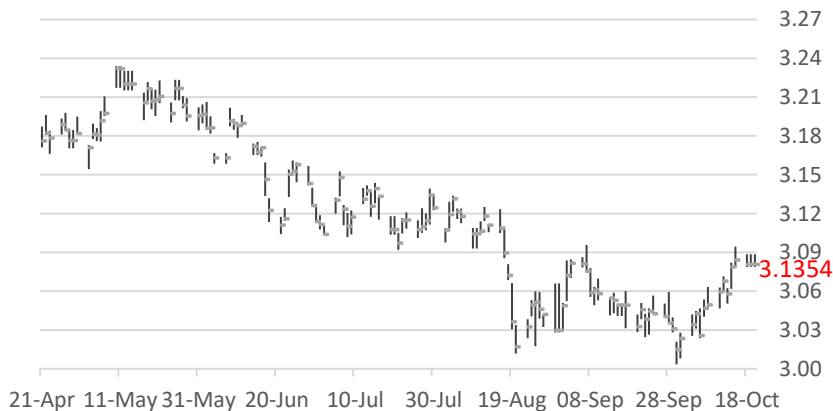


GBP/MYR Neutral to Bullish

GBP/MYR opened 0.3% higher at 5.7496. The sterling is expected to remain bullish supported by a hawkish BOE, 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	5.7100	5.7287	5.7467	5.7556	5.7667

AUD/MYR



AUD/MYR Neutral to Bullish

AUD/MYR opened 0.4% higher at 3.1263 as the Aussie remains bullish after breaking the key 0.75 level. Both AUD and MYR are benefiting from the rally in global commodity prices and further economic reopening. The pair has broken the 3.13 level and upward momentum is strong, but currently overbought position in AUD/MYR suggests some pullback before the next move higher towards 3.15.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0864	3.1146	3.1354	3.1474	3.1650

Source: Bloomberg, HLBB Global Markets Research

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