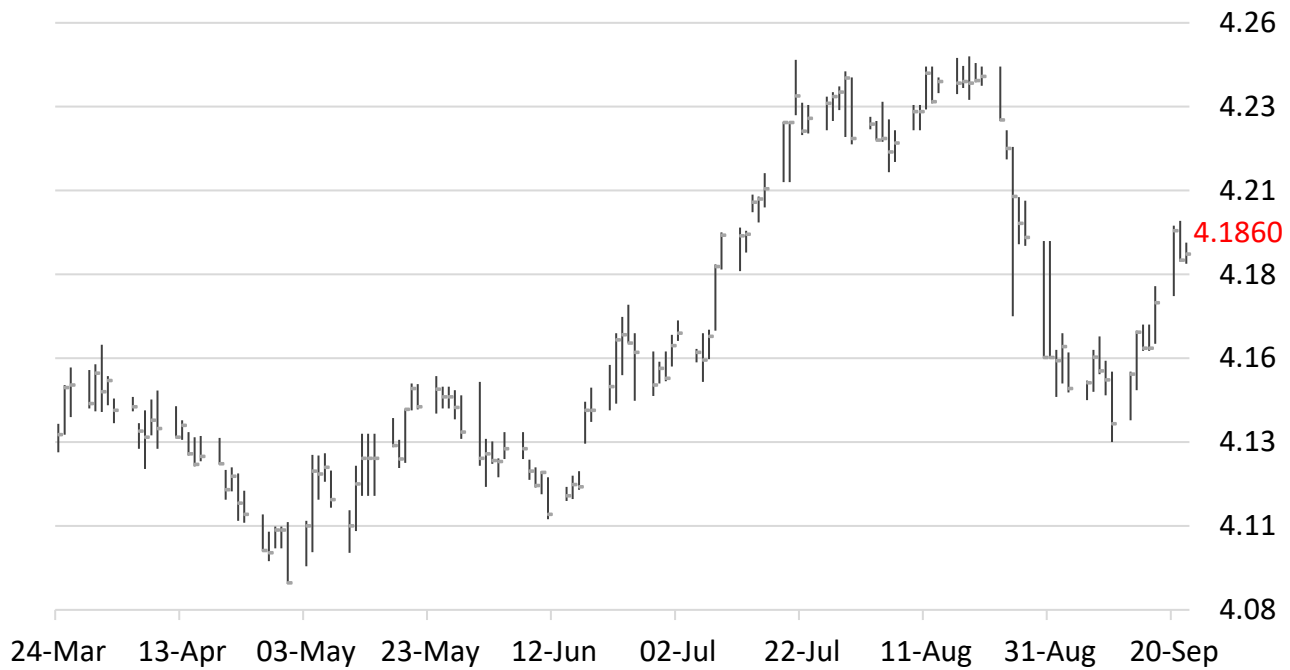


22 September 2021

Global Markets Research

Mid-day Currency Outlook

**USD/MYR**



Source: Bloomberg, HLBB Global Markets Research

**Intraday Thoughts – MYR Neutral**

USD/MYR opened little changed at 4.1875. The ringgit rebounded on Tuesday after experiencing a sharp down move at the start of the week. We are neutral on USD/MYR today, anticipating the pre-FOMC caution to limit the pair’s movement at circa 4.18-4.19 levels. Focus is on the Fed’s new economic projections as well as the dot plot.

**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; the daily infections have trended lower recently but remain relatively high at around 15,000 mark, thus the uncertainties surrounding further relaxation of restrictions and recovery in consumer and business sentiments.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1600	4.1750	4.1860	4.2000	4.2150

## MYR Crosses

### EUR/MYR

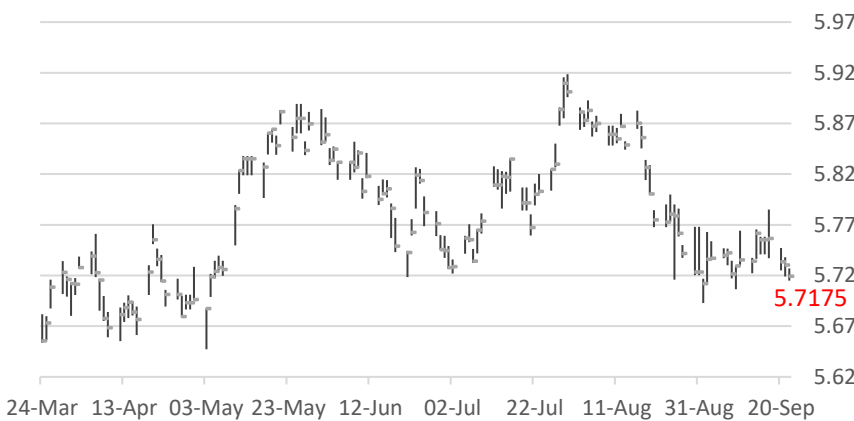


### EUR/MYR Neutral

EUR/MYR opened 0.1% lower at 4.9050. EUR/USD remains resilient in the face of global risk aversion with bulls striving to target 1.1750. The FOMC event risk may serve as a dampener, holding back the pair. We maintain our view that EUR/MYR may stay constrained within recent ranges as both EUR and MYR were relatively steady. After FOMC, the attention turns to the Eurozone's preliminary market PMIs

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8850	4.8915	4.9087	4.9190	4.9284

### GBP/MYR



### GBP/MYR Neutral

GBP/MYR opened 0.3% lower at 5.7148. The sterling stabilised from recent selling, but it is facing the threat of the relatively neutral BOE stance compared to the Fed. The BOE appears to be in no rush to tighten policy as it has priced in the surging inflation. Further monitoring of the furlough scheme-supported job market is required. We remain neutral on the GBP/MYR, anticipating limited movements ahead of event risks.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6880	5.7000	5.7175	5.7458	5.7668

### AUD/MYR



### AUD/MYR Neutral

AUD/MYR opened 0.7% lower at 3.0245. AUD/USD swings between gains and losses this week as concerns over the Chinese property sector dominated the market. Chinese market reopened today and the PBOC's 120b yuan injection offers some comfort. We expect neutral trading for AUD/MYR due to event risks.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0117	3.0290	3.0334	3.0624	3.0821

Source: Bloomberg, HLBB Global Markets Research

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