

22 November 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 4.1855 and is seen trading steadily at recent levels this morning. Daily outlook is neutral to bullish for the pair, in line with our weekly outlook that premised on the expectations for a firmer USD, with little domestic catalyst to drive the MYR. We are eyeing a range of 4.16-4.20 for the week ahead.

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 as the Federal Reserve's policy normalization pace is conducted less aggressively compared to other global central banks.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1720	4.1800	4.1865	4.1900	4.2000

MYR Crosses

EUR/MYR



EUR/MYR Neutral to Bearish

EUR/MYR opened 0.2% lower at 4.7165. EUR/MYR is expected to continue trading on a bearish note as the market mules potential lockdowns in other European countries after Austria's reimposed full lockdown to counter the surge in Covid cases. EUR/USD has now hit a 16-month low, underneath 1.1300, after Friday's selloff. There are still rooms for further downside given that the pair hasn't reached severely oversold levels.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.6850	4.7080	4.7186	4.7385	4.7600

GBP/MYR



GBP/MYR Neutral to Slightly Bearish

GBP/MYR opened little changed at 5.6193 as GBP/USD suffered relatively smaller losses compared to other G10s last Friday, partially attributed to the strong UK retail sales. We are neutral to slightly bearish on the sterling on strong USD sentiment and lingering Brexit uncertainties. Technical wise, GBP/USD's outlook hinges on the ability to stay above 1.3400, a break below the level may lead the bears to target 1.3350, which may in turn lead GBP/MYR to break immediate support of 5.6058.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5800	5.6058	5.6226	5.6584	5.6700

AUD/MYR



AUD/MYR Neutral to Slightly Bearish

AUD/MYR opened 0.2% lower at 3.0251. We are neutral to slightly bearish on AUD/MYR, taking into account the dominating risk aversion in the market and bearish technical indicators. Hawkish Fedspeak and the dovish RBA policy stance continue to serve as dampeners for AUD this week.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0000	3.0200	3.0295	3.0451	3.0627

Source: Bloomberg, HLBB Global Markets Research

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