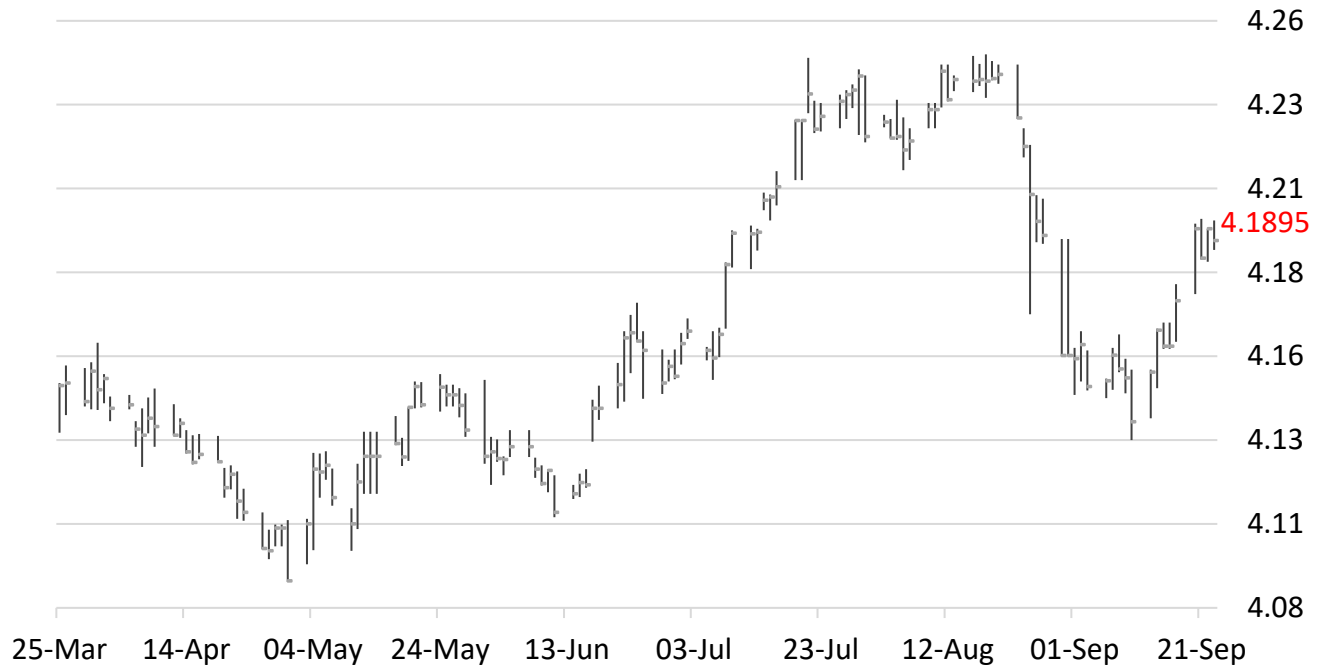


23 September 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

**Intraday Thoughts – MYR Neutral to Bearish**

The ringgit had held relatively steady throughout Tuesday’s session before the pair inched up slightly to close at 4.1930 just ahead of the FOMC meeting. USD/MYR opened little changed at 4.1940 today. The mixed USD performance alongside the commodity currencies rally may have held back the pair this morning. Nonetheless we are neutral to bullish on USD/MYR and do not rule out that the pair may still test 4.20 key level in the short-term after the Fed signalled that it could start to taper its asset purchase program in November.

**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	4.1895	4.2000	4.2150

## MYR Crosses

### EUR/MYR



### EUR/MYR Neutral

EUR/MYR opened 0.4% lower at 4.9005. EUR/USD broke its streak of muted trading to fall below 1.17 post FOMC decision. The Fed's hawkish statement confirms tighter policy relative to the ECB's relatively neutral stance. We are neutral on EUR/MYR as the selling pressure surrounding EUR/USD eased in today's session. Attentions now turn to the Eurozone's preliminary market PMIs

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8850	4.8915	4.8986	4.9190	4.9284

### GBP/MYR

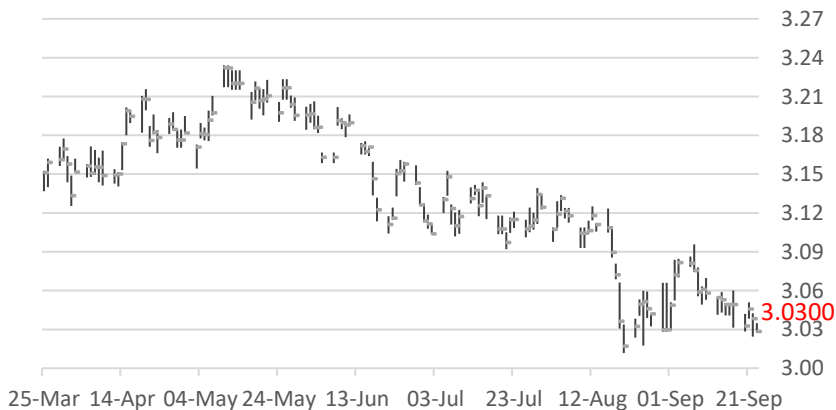


### GBP/MYR Neutral

GBP/MYR opened little changed at 5.7094. The sterling weakened alongside the euro after Fed's hawkish signals and may face further pressure ahead of today's BOE meeting. BOE is in no rush to tighten policy as it has priced in the surging inflation and further monitoring of the job market (still supported by the furlough scheme) 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	5.7071	5.7458	5.7668

### AUD/MYR



### AUD/MYR Neutral

AUD/MYR opened 0.2% lower at 3.0325. AUD/USD rode on the surging crude oil prices despite hawkish FOMC statement. We are neutral on AUD/MYR amid a lack of clear direction. Investors digest the FOMC decision while monitoring Evergrande-related stories, which may still pose downside risk to the pair although the effects appeared to have waned.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0117	3.0250	3.0300	3.0471	3.0539

Source: Bloomberg, HLBB Global Markets Research

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