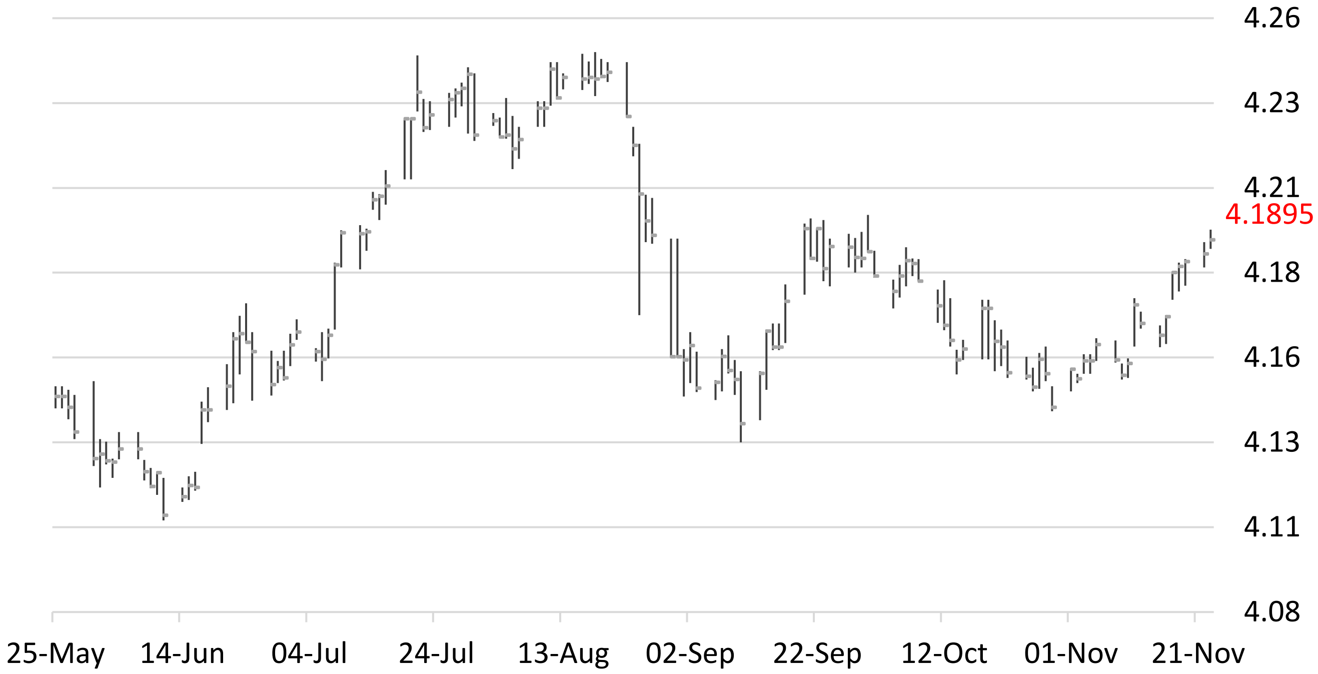
23 November 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to Bearish

USD/MYR opened 0.2% higher at 4.1920 but eased back to below 4.1900 as of writing. 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 continue to eye a range of 4.16-4.20 this week.

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	4.1895	4.1950	4.2000

MYR Crosses

EUR/MYR

EUR/MYR Neutral to Bearish

EUR/MYR opened 0.4% lower at 4.7063. EUR/USD slumped further to 1.1200 on firmer US rate hike expectations after Fed Chair Powell was nominated for a second term. Meanwhile, the possibility of a reintroduction of lockdowns in Europe continues to linger. EUR/MYR is expected to continue trading on a bearish note but at highly oversold levels, pair is likely to stabilise prior to the release of the Eurozone's flash PMI data today.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.6800	4.7000	4.7080	4.7280	4.7443

GBP/MYR

GBP/MYR Neutral to Slightly Bearish

GBP/MYR opened 0.1% lower at 5.6075. GBP/USD weakened alongside G10 peers amid firmer USD but stayed supported at critical 1.34 level. We maintain neutral to slightly bearish outlook 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. Key UK data today is flash PMI readings.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5800	5.6058	5.6122	5.6322	5.6586

AUD/MYR

AUD/MYR Neutral

AUD/MYR opened 0.4% lower at 3.0251. AUD/USD suffered relatively little bruises compared to its G10 peers overnight. AUD consolidates recent losses and some profit taking activities may spur a short-term reversal. Nonetheless, We maintain view that AUD is vulnerable to USD strength this week, given the dovish RBA policy stance. Key data next is retail sales (Friday).

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0000	3.0200	3.0271	3.0450	3.0627

Source: Bloomberg, HLBB Global Markets Research

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