

23 December 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened 0.2% lower at 4.2050 following the broad-based decline of the dollar overnight. Extended weakness of the dollar is expected to support the local unit, but cautious market sentiment in view of potentially tighter restrictions (globally) may limit the pair's movement, rendering a neutral daily outlook today. The pair is expected to trade within a tight range of 4.2000-4.2200, with 4.2000 being the immediate support.

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 supported by Fed rate hike expectations and likely outperformance of recovery in the US. That said, the emergence of the Omicron variant could potentially derail the recovery and policy normalization path.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1830	4.2000	4.2065	4.2300	4.2400

MYR Crosses

SGD/MYR



SGD/MYR Neutral

SGD/MYR opened 0.3% higher at 3.0926 and stays near the level as of writing. SGD was last seen trading higher against the USD but concurrent strength in MYR may limit the movement of SGD/MYR. We maintain a neutral on the pair today given the lack of direct catalyst for the SGD/MYR cross. We expect it to continue staying within a range of 3.08-3.10.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.0750	3.0800	3.0912	3.0937	3.1000

GBP/MYR

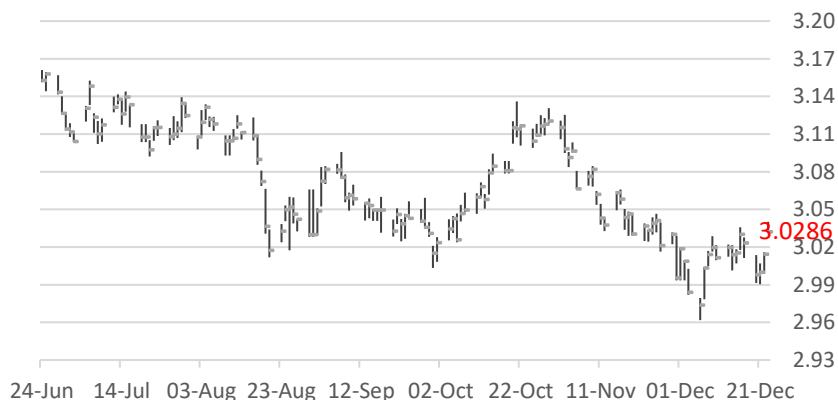


GBP/MYR Neutral to Slightly Bullish

GBP/MYR opened 0.6% higher at 5.6252 but retreated to 5.6165 as of writing. The sterling eased back to circa 1.3350 as the market eyes Brexit talks and digests the deteriorating Covid situation in the UK (Daily infection crossed 100k on Wednesday). Upside looks limited for GBP/USD with 1.3360 remaining a tough resistance to breach. GBP/MYR's daily outlook is neutral to slightly bullish after taking into account the higher opening this morning.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5700	5.5907	5.6153	5.6253	5.6500

AUD/MYR



AUD/MYR Neutral to Slightly Bullish

AUD/MYR opened 0.8% higher at 3.0389 after having emerged the top gainer among the G10 currencies overnight. AUD/USD made some reversal this morning to 0.7200. A further improvement in risk sentiment may lead to an attempt to retake 0.7220, followed by 0.7250. Nonetheless, some post-rally technical correction may be limiting the upside for AUD/MYR.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0050	3.0200	3.0286	3.0490	3.0600

Source: Bloomberg, HLBB Global Markets Research

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