24 November 2021

# Global Markets Research

## Mid-day Currency Outlook

**USD/MYR**


*Source: Bloomberg, HLBB Global Markets Research*

**Intraday Thoughts – MYR Neutral to Slightly Bearish**

USD/MYR opened little changed at 4.1990. The pair breached the key 4.20 level to trade at 4.2030 as of writing. Nonetheless, the pair is nearing the overbought levels and the overstretched condition as well as fading USD strength today is likely to hold back investors, thus limiting the upsides.

**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 | 4.1840 | 4.2030 | 4.2100 | 4.2299 |

## MYR Crosses

### EUR/MYR


**EUR/MYR Neutral to Slighly Bullish**

EUR/MYR opened 0.1% lower at 4.7210. EUR/USD recovered above 1.1200 as USD strength fade while ECB board member's Schnabel reaffirmed plan to withdraw pandemic stimulus despite potential lockdowns in Europe. EUR/MYR is expected to trade on a neutral to slightly bullish note after the turnaround in the euro overnight but may remain capped below 4.7300 against a backdrop of cautious sentiment ahead of the FOMC minutes.

| | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| EUR/MYR | 4.6800 | 4.7000 | 4.7245 | 4.7300 | 4.7443 |

### GBP/MYR


**GBP/MYR Neutral**

GBP/MYR opened little changed at 5.6155. GBP/USD weakened further overnight but the losses were capped by fading USD strength and solid UK PMI readings. GBP/MYR meanwhile is expected to see more muted movements as both components retain slightly bearish momentum.

| | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| GBP/MYR | 5.5800 | 5.6058 | 5.6212 | 5.6322 | 5.6586 |

### AUD/MYR


**AUD/MYR Neutral**

AUD/MYR opened little changed at 3.0322. AUD consolidated recent losses overnight amid fading USD strength. AUD/USD is seen stabilising above 0.7200, paying no heed to the RBNZ's 25bps rate hike. Despite that, we maintain view that AUD is vulnerable to to risk aversion this week, not to mention the RBA's dovish policy stance. Retail sales data on Friday is expected to be a driver.

| | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| AUD/MYR | 3.0000 | 3.0200 | 3.0341 | 3.0450 | 3.0627 |

*Source: Bloomberg, HLBB Global Markets Research*

**Hong Leong Bank Berhad**
Fixed Income & Economic Research, Global Markets
Level 8, Hong Leong Tower
6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
Tel: 603-2081 1221
Fax: 603-2081 8936
Email: HLMarkets@hlbb.hongleong.com.my