

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 Slightly 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

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