24 December 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR

Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened unchanged at 4.2000 and is seen hovering near this level as of writing. Extended weakness of the dollar looks likely to benefit the ringgit, but cautious market sentiment ahead of the weekend may still limit the pair's movement today, rendering a potential range of 4.1800-4.2150.

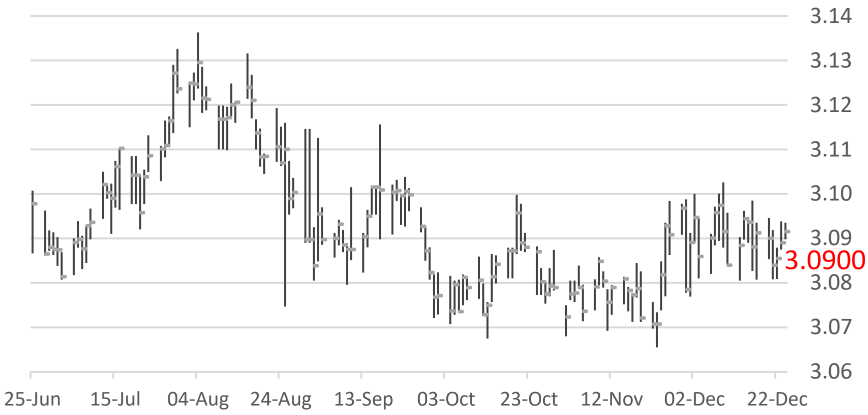
1-Month Outlook – MYR Bullish

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	4.1800	4.1900	4.1990	4.2150	4.2300

MYR Crosses

SGD/MYR



SGD/MYR Neutral

SGD/MYR opened little changed at 3.0908. We maintain a neutral outlook for the pair today, expecting it to stick within a constrained range of 3.0850-3.0950 just ahead of the weekend. Singapore's industrial production data is slated for an afternoon release and is not expected to move the market.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.0750	3.0800	3.0900	3.0937	3.1000

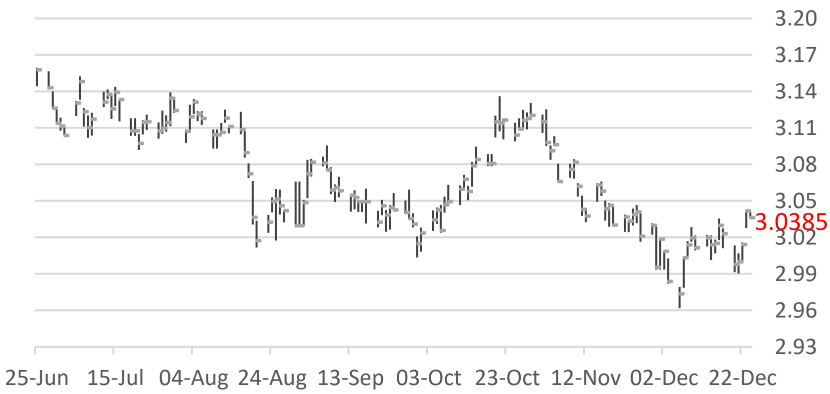
GBP/MYR

GBP/MYR Neutral to Slightly Bullish

GBP/MYR opened 0.1% higher at 5.6308, in line with the stronger sterling overnight. GBP/USD is seen defending the 1.3400 level this morning with investors eyeing Brexit talks and Covid-related headlines. We remain neutral to slightly bullish on GBP/MYR, taking into account a decently supported GBP amid dollar weakness.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5951	5.6082	5.6297	5.6462	5.6537

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.1% lower at 3.0377 despite higher Aussie dollar overnight. AUD/USD trades lower at 0.7235 as of writing after failing to breach 0.7250 resistance. This correction should keep AUD/MYR restricted to 3.03-3.04 levels, with the market likely turning cautious ahead of Christmas.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0050	3.0200	3.0385	3.0490	3.0600

Source: Bloomberg, HLBB Global Markets Research

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