

25 October 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to Bullish

USD/MYR opened 0.1% higher at 4.1550 today and traded lower to 4.1505 at time of writing, the same level as Friday's closing. The pair briefly broke below the key 4.15 level in the previous intraday trading session and we noticed negative momentum has increased, paving the way for 4.1460 next, after which 4.1350 will be the next target. We remain neutral to bullish on MYR, eyeing a weekly range of 4.13-4.17. All eyes will be the tabling of the 2022 National Budget on 29 October.

1-Month Outlook – MYR Bullish

We have revised our medium term outlook to reflect a stronger MYR as the Malaysian economy moves forward to relax more Covid-19 restrictions, with higher commodity prices offering added support to the ringgit while also taking into account the Federal Reserve's possible kickstart of policy normalisation in November.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1400	4.1460	4.1505	4.1625	4.1715

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened only marginally lower at 4.8309, from Friday's close of 4.8322. and has been going through some mild swings this morning. Sustained bulls in the EUR as well as a well supported MYR lead to our neutral EUR/MYR outlook. EUR/USD stays technically bullish overall above the 1.16 handle. Focus will shift to ECB policy meeting on 28 October.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8152	4.8254	4.8318	4.8453	4.8545

GBP/MYR

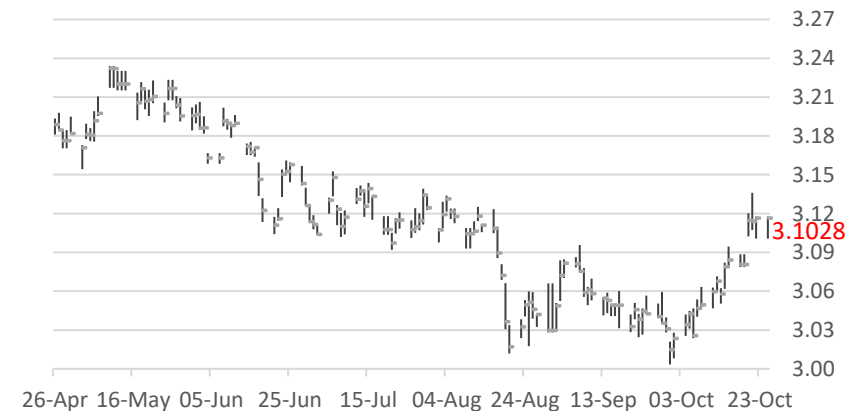


GBP/MYR Neutral

GBP/MYR opened 0.4% lower at 5.7119 tracking losses in the sterling last Friday despite USD weakness and an improvement in PMI readings. Event risk from the UK Budget tabling on 27 October (Wednesday) could have influenced GBP positioning, hence likelihood of some cautiousness in the next few days, resulting in a GBP/MYR range of 5.69-5.73.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6876	5.6964	5.7143	5.7512	5.7627

AUD/MYR



AUD/MYR Neutral to Slightly Bearish

AUD/MYR opened 0.5% lower at 3.0998 and has been trading sideways amid a well supported Aussie and biddish MYR. Paring of risk appetite is expected to dampen Aussie outlook today, prompting a slight bearish tilt in the pair today. Renewed concerns over a Covid outbreak in China will also likely weigh on the Aussie near term.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0986	3.1000	3.1028	3.1255	3.1310

Source: Bloomberg, HLBB Global Markets Research

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