27 August 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR

Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened little changed at 4.1960. A recent breach of multiple supports has paved the way for further bearish moves but we expect the market to turn cautious on event risks (Jackson Hole Symposium). Pair may be stabilising within 4.19-4.21 range today, awaiting guidance regarding the asset tapering plan from Fed Chair Jerome Powell at 10pm tonight.

1-Month Outlook – MYR Neutral

We maintain a one-month neutral outlook for MYR for now, ahead of the Jackson Hole Symposium while monitoring the local pandemic development. Malaysia continues to report higher vaccination rates which would allow it to move on to the next phase of its National Recovery Plan but the daily infections remain around the 20,000 mark. USD/MYR may regain some ground if Fed officials reaffirms the plan to taper the $120b per month asset purchase program.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1800	4.1900	4.1975	4.2200	4.2400

MYR Crosses

EUR/MYR

EUR/MYR Neutral

EUR/MYR opened 0.1% lower at 4.9310. EUR/USD slumped alongside other G10 currencies as USD was boosted by tapering talks. We turned neutral on EUR/MYR, expecting both currency components to trade steadily ahead of key event (Powell's speech at Jackson Hole Symposium).

	S2	S1	Indicative	R1	R2
EUR/MYR	4.9000	4.9250	4.9336	4.9434	4.9660

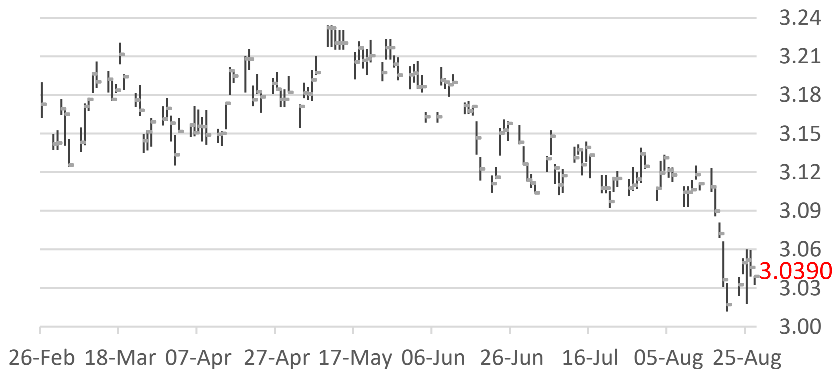
GBP/MYR

GBP/MYR Neutral

GBP/MYR opened 0.2% lower at 5.7477. GBP/USD pulled back to below 1.3700 as USD bulls regained some tractions. Some Brexit and worker shortage related headlines also dragged on the sterling. We are neutral on GBP/MYR for now, expecting the pair to stabilise as markets await Powell's speech. USD direction remains the major driver.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.7220	5.7450	5.7481	5.7750	5.7917

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.3% lower at 3.0367. AUD/USD suffered rather heavy losses overnight alongside the CAD as crude oil prices retreated and risk sentiment turned cautious. AUD/MYR was steadying within a tight range despite the larger than expected decline in Australia's retail sales. Powell speech is the key driver before focus shifts to next week's Australia GDP.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0100	3.0250	3.0390	3.0500	3.0681

Source: Bloomberg, HLBB Global Markets Research

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