

27 December 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 4.1975. In the week ahead, we turn Neutral on USD/MYR, attributed to our firmer USD view ahead of the year end, expecting the pair to range 4.1800-4.2300. That said, potential year end window-dressing could tilt the pair slightly to the downside.

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	4.1905	4.2150	4.2300

MYR Crosses

SGD/MYR



SGD/MYR Neutral

SGD/MYR opened little changed at 3.0894. We maintain a neutral outlook for the pair today, expecting it to stick within a constrained range of 3.0850-3.0950 given the lack of direct catalysts. Singapore's industrial production rose more than expected by 2.3% m/m in November, adding to positive signs of firm global demand.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.0750	3.0800	3.0897	3.0937	3.1000

GBP/MYR



GBP/MYR Neutral to Slightly Bearish

GBP/MYR opened little changed at 5.6235. GBP/USD continues to defend 1.3400 with investors eyeing Brexit talks and Covid-related headlines this week. We are neutral to slightly bearish on GBP/MYR, reflecting the firmer MYR this morning as well as our view for a weaker GBP this week given the grim Covid situation in the UK.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5951	5.6082	5.6167	5.6350	5.6600

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.2% lower at 3.0333. AUD/USD retains its recent levels at circa 0.7200. We expect AUD/MYR to remain within 3.03-3.04 range in the short term amid thin trading and lack of major catalysts ahead of the new year. Negative Omicron related headlines remain a major downside risk to the aussie dollar.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0050	3.0200	3.0323	3.0490	3.0600

Source: Bloomberg, HLBB Global Markets Research

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