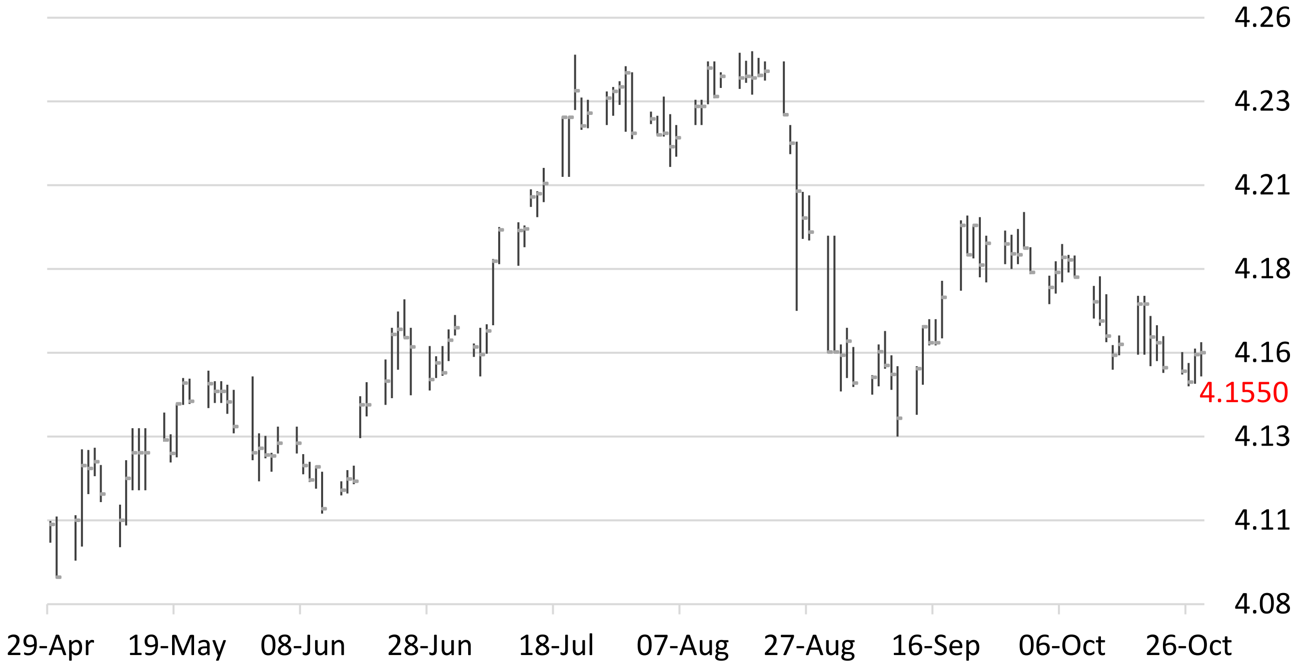
28 October 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened 0.2% lower at 4.1480. We maintain the view that negative momentum has increased for the pair amid renewed USD weakness. After hitting 4.1460 recently, 4.1350 will be the next target although we expect cautious and range-bound trading ahead of tomorrow's tabling of the 2022 National Budget and the US 3Q GDP data. The expected weekly range remains unchanged at 4.13-4.17.

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	4.1200	4.1350	4.1550	4.1600	4.1715

MYR Crosses

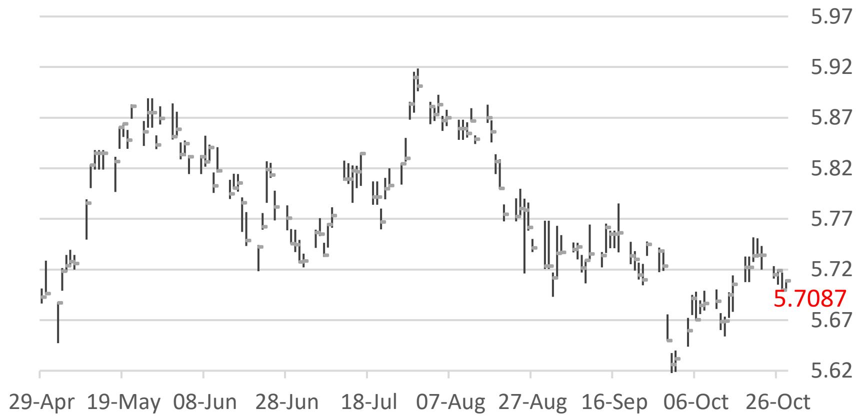
EUR/MYR

EUR/MYR Neutral

EUR/MYR opened little changed at 4.8186. EUR/USD continues to trade above 1.6000 as of writing, little changed from prior session. We are neutral on EUR/MYR as we anticipate the pre-ECB caution to dominate the EUR market. The US advance 3Q GDP reading may also serve as a potential driver today.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8000	4.8093	4.8217	4.8260	4.8400

GBP/MYR

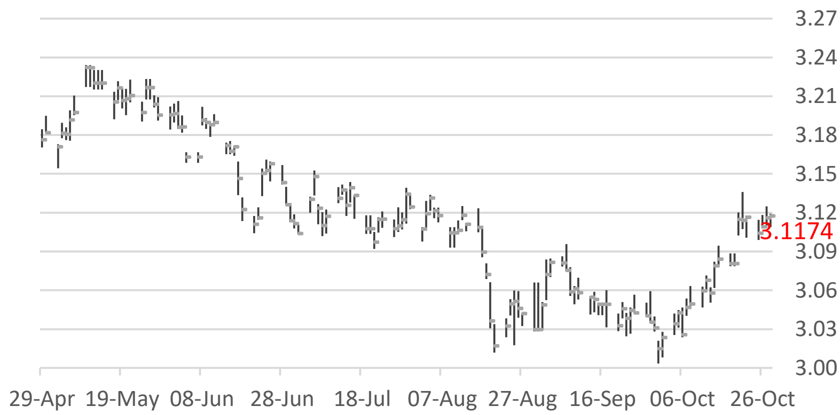


GBP/MYR Neutral

GBP/MYR opened little changed at 5.7049. GBP/USD had weakened in the prior session despite Chancellor Sunak's optimistic update on the UK 2021 budget. Technical indicators suggests renewed bearish momentum but the broad USD weakness may serve as a respite, rendering a neutral daily outlook ahead of key events (ECB policy decision and US GDP growth).

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6847	5.7000	5.7087	5.7255	5.7347

AUD/MYR



AUD/MYR Neutral to Bullish

AUD/MYR opened little changed at 3.1159. AUD/USD was unaffected by the plunge in crude oil prices, partly supported by the recent acceleration of core CPI inflation. We maintain a neutral to bullish outlook for AUD/MYR on the back of surging bond yields amid speculations that the RBA may shift its forward guidance next week.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0844	3.1000	3.1174	3.1255	3.1310

Source: Bloomberg, HLBB Global Markets Research

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