

29 September 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to Bearish

USD/MYR opened 0.1% higher at 4.1900 today but gave up the small gain to trade at circa 4.1860-4.1870. MYR looks to be rather resilient despite the broad USD strengthening and rising risk aversion. Having said that, we maintain view that the pair may shift higher today, attempting to test the 4.20 psychological handle. This is in line with our neutral to slightly bullish outlook for USD/MYR this week. Upside will likely be capped by the Upper Bollinger of 4.2075 for now.

1-Month Outlook – MYR Bearish

We are neutral to bearish on MYR expecting USD/MYR to correct from the current low back to circa 4.20-4.23 levels especially after the Fed hinted it may start to taper its asset purchase program this year, even as the headlines surrounding Malaysia's pandemic situation have turned more positive.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1600	4.1710	4.1870	4.1900	4.2000

MYR Crosses

EUR/MYR

EUR/MYR Neutral to Bearish

EUR/MYR opened little changed at 4.8900 today. EUR/USD was rather well supported despite USD strength as the pair registered comparatively modest decline compared to the sharp selloff in GBP. We are neutral to bearish on EUR/MYR on strong USD outlook and a rather steady MYR performance. Focus is on the Eurozone's economic sentiment data due tonight.



	S2	S1	Indicative	R1	R2
EUR/MYR	4.8700	4.8847	4.8932	4.9000	4.9103

GBP/MYR

GBP/MYR Neutral to Bearish

GBP/MYR saw sharply lower opening (-1.0%) this morning at 5.6665 after the sterling plummeted overnight amid a selloff in risk assets while the fuel shortage and panic (fuel) buying in the UK further added to the burden. We are neutral to bearish on GBP/MYR as GBP/USD's failure to reach the RSI oversold condition may limit further downsides, suggesting some stabilisations ahead.

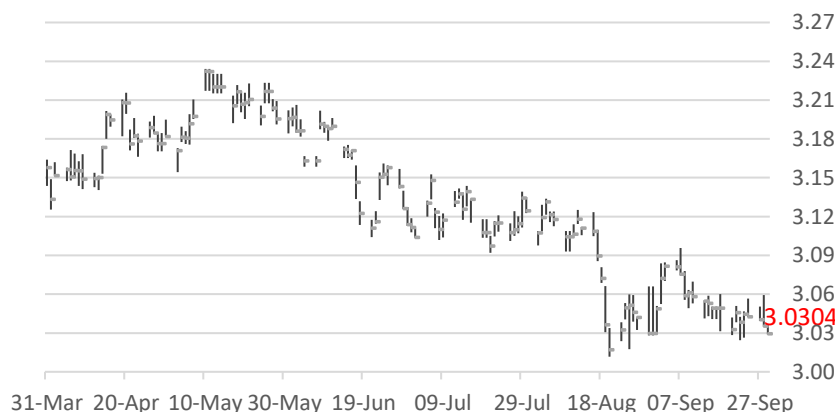


	S2	S1	Indicative	R1	R2
GBP/MYR	5.6230	5.6500	5.6707	5.6963	5.7172

AUD/MYR

AUD/MYR Neutral to Bearish

AUD/MYR opened modestly lower (-0.1%) at 3.0313 even as AUD plunged alongside other currencies amid the broad USD strength. We are neutral to bearish on AUD/MYR as risk aversion dominated today's trading and MYR appeared to be relatively resilient compared to AUD.



	S2	S1	Indicative	R1	R2
AUD/MYR	3.0115	3.0245	3.0304	3.0423	3.0566

Source: Bloomberg, HLBB Global Markets Research

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