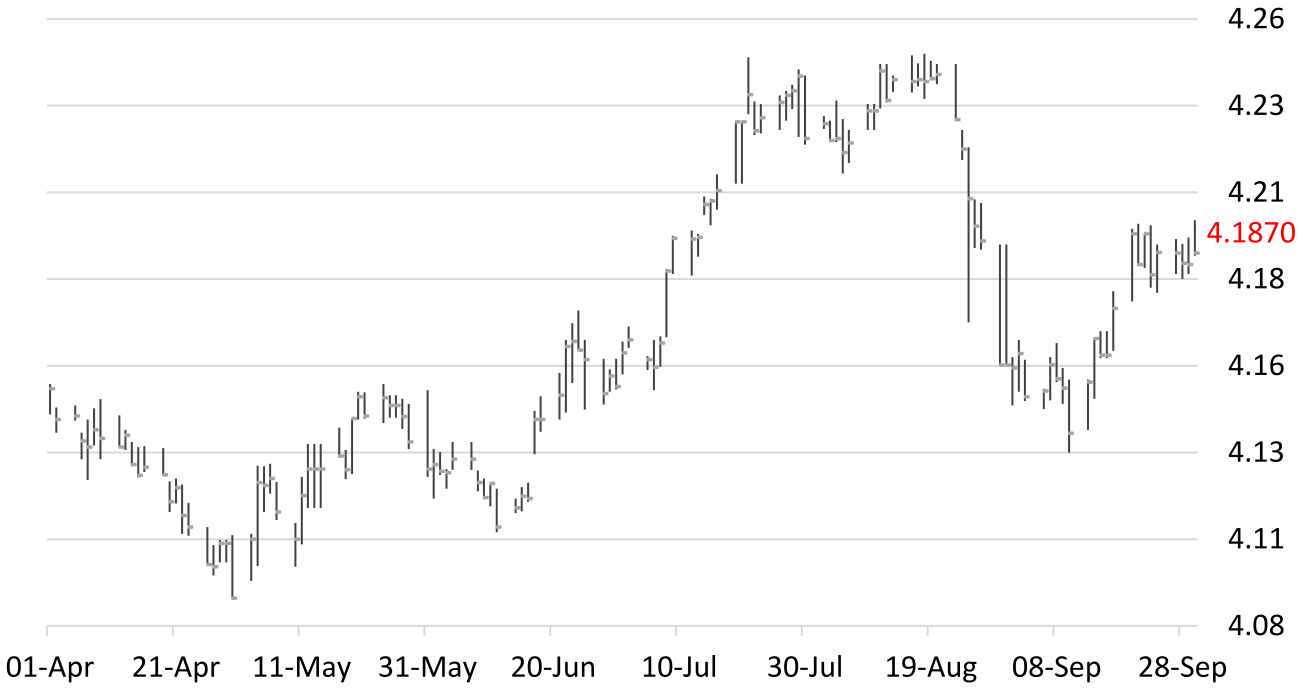
30 September 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to Slightly Bearish

USD/MYR opened 0.3% higher at 4.1950 in response to the overnight USD strength. The knee-jerk reaction proves to be temporary as the pair reversed back to below 4.1900 as of writing to trade at recently familiar levels of circa 4.1870. MYR looks to be rather resilient despite the broad USD strengthening and rising risk aversion. Having said that, we still maintain the view that the pair may shift higher today amid the broad USD strength, 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 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

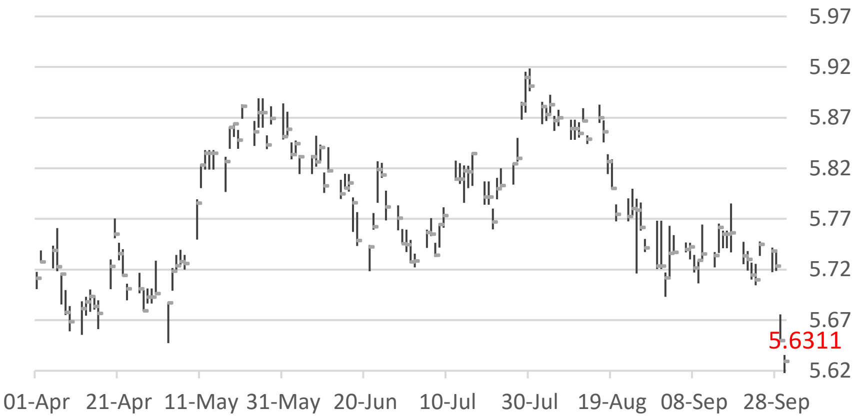
EUR/MYR

EUR/MYR Neutral to Bearish

EUR/MYR opened 0.5% lower at 4.8544 after the euro joined the bandwagon to weaken against the US dollar overnight, although the losses remained comparatively lower compared to the sterling. The daily outlook is neutral to bearish after the sharply lower opening although it does paves the way for a minor recovery, potentially trading within the tight range of 4.8540-4.8700.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8450	4.8540	4.8587	4.8776	4.8980

GBP/MYR

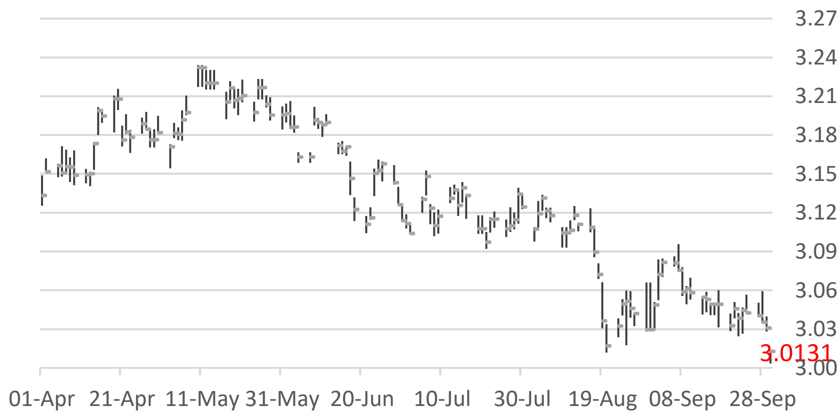


GBP/MYR Neutral to Bearish

GBP/MYR opened 0.6% lower at 5.6184 as the sterling was sold off alongside other G10 currencies overnight. Further losses are limited after the pair hit the RSI oversold condition; instead a minor correction and stabilisation is expected with upsides capped at 5.6495.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6000	5.6180	5.6311	5.6495	5.6665

AUD/MYR



AUD/MYR Neutral to Bearish

AUD/MYR opened 0.9% lower at 3.0038 as the aussie dollar took a beating amid the USD strength. We are witnessing a similar rebound from the lower opening while investors also digest the mixed Chinese NBS PMIs. Nonetheless, daily outlook is neutral to bearish as we expect the pair to still close lower compared to the previous session.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9900	3.0000	3.0131	3.0265	3.0405

Source: Bloomberg, HLBB Global Markets Research

Hong Leong Bank Berhad
Fixed Income & Economic Research, Global Markets
Level 8, Hong Leong Tower
6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
Tel: 603-2081 1221
Fax: 603-2081 8936
Email: HLMarkets@hlbb.hongleong.com.my