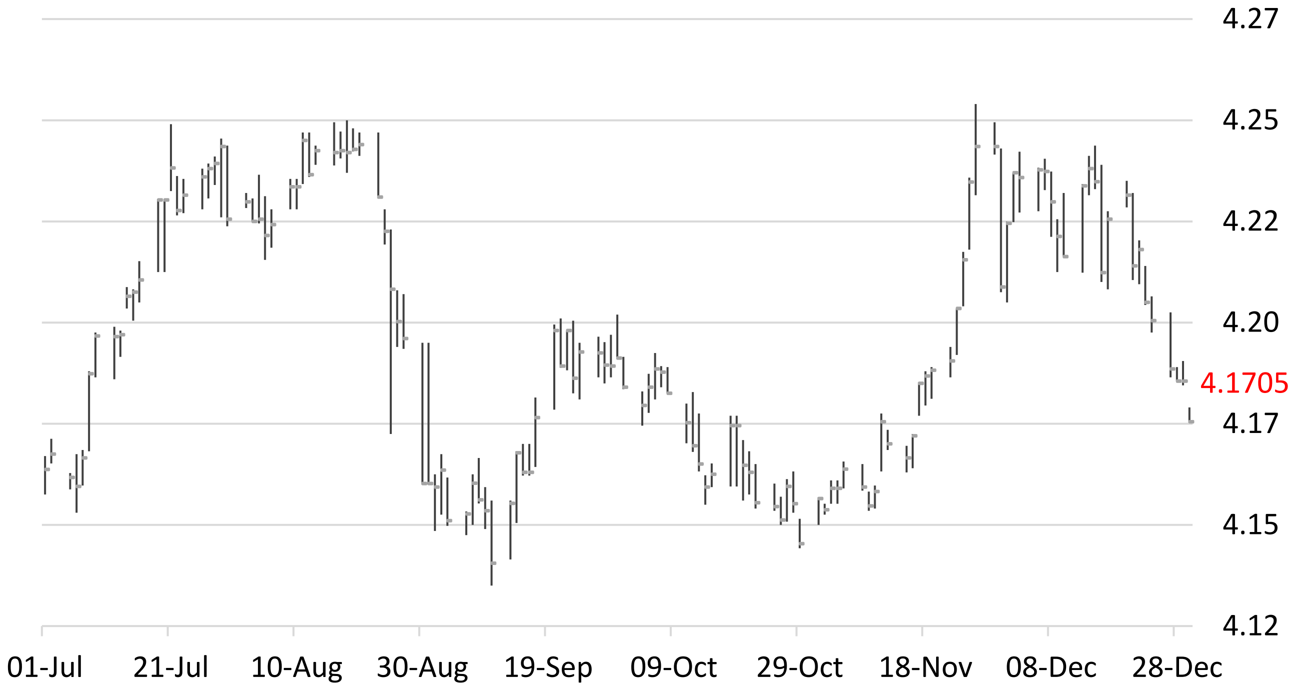
30 December 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to Slightly Bullish

USD/MYR opened 0.2% lower at 4.1740. We are neutral to slightly bearish on USD/MYR today, following the selloff in USD overnight; a recent breach of the 4.1800 led the pair to target 4.1700 immediately, of which a break below this level would likely send the pair towards 4.1670.

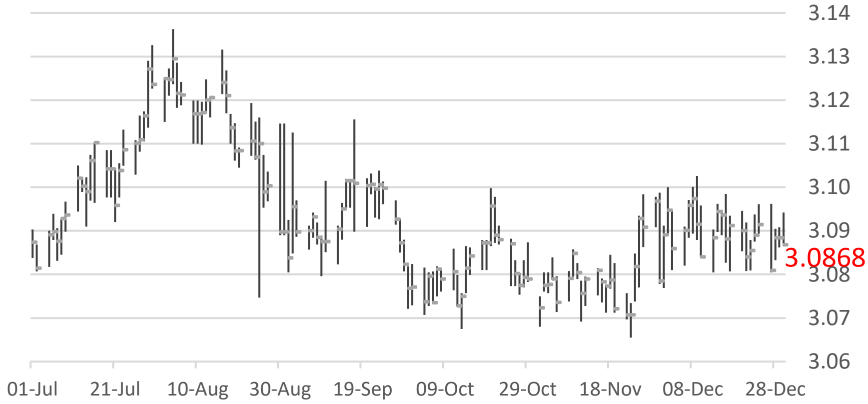
1-Month Outlook – MYR Bullish

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	4.1600	4.1700	4.1705	4.1880	4.2000

MYR Crosses

SGD/MYR



SGD/MYR Neutral

SGD/MYR opened 0.2% higher at 3.0936 and reach as high as 3.0942 before retreating back substantially to 3.0872, driven by a firmer MYR. We maintain a neutral outlook for the pair on the back of a subdued market and cautious sentiment ahead of the new year, expecting the pair to stay constrained within 3.0800-3.0950.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.0750	3.0800	3.0868	3.0900	3.0985

GBP/MYR

GBP/MYR Neutral to Slightly Bullish

GBP/MYR opened 0.5% higher at 5.6427 after the sterling emerged as the top G10 gainer overnight. However, a firmer MYR (against the USD) quickly pulled down the cross to just below 5.6300. GBP/USD climbed further this morning to reach a six-week high of 1.3500 but we expect upside for GBP/MYR to be capped at 5.6450, taking into account bullish MYR amid the weak USD environment.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6082	5.6200	5.6327	5.6450	5.6600

AUD/MYR

AUD/MYR Neutral to Slightly Bullish

AUD/MYR opened 0.6% higher at 3.0346 as AUD strengthened alongside other G10 currencies against the dollar. Similarly, a stronger MYR dragged AUD/MYR down to the edge of 3.0300. AUD/USD bulls may attempt to try 0.7290 resistance but momentum looks to be easing. As such, the concurrently firmer MYR means that AUD/MYR may have difficulties to break 3.0350.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0100	3.0240	3.0308	3.0350	3.0465

Source: Bloomberg, HLBB Global Markets Research

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