

10 January 2022

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened 0.1% lower at 4.2025 and is hovering at this level throughout the morning. We are neutral on the pair today as cautious market sentiment post US job data may hold back the pair in today’s session. In the week ahead, we are bullish on USD/MYR, supported by sustained USD strength, eyeing a range of 4.1800-4.2300.

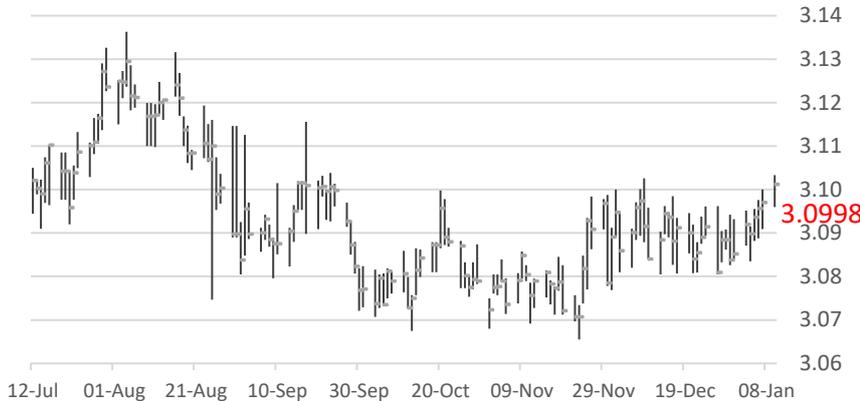
1-Month Outlook – MYR Neutral

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	4.1900	4.2000	4.2020	4.2100	4.2175

MYR Crosses

SGD/MYR



SGD/MYR Neutral

SGD/MYR opened 0.2% higher at 3.1022 as SGD strengthened alongside other currencies against the USD post NFP data. We are neutral on SGD/MYR, expecting it to fall back to a more familiar level below 3.1000 after the recent up moves, against a backdrop of cautious market sentiment as the Fed rate hike expectations continues to dominate the general market.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.0926	3.0948	3.0998	3.1030	3.1075

GBP/MYR



GBP/MYR Neutral to Bullish

GBP/MYR opened 0.3% higher at 5.7200 after the sterling strengthened against the USD last Friday. GBP/USD continues its headlong move to breach 1.3600 amid the weak USD environment, resulting in a potentially stronger GBP/MYR as MYR is expected to be relatively stable.

To	S2	S1	Indicative	R1	R2
GBP/MYR	5.6850	5.7000	5.7119	5.7300	5.7500

AUD/MYR



AUD/MYR Neutral to Slightly Bullish

AUD/MYR opened 0.3% higher at 3.0211 in line with the modestly stronger AUD/USD in the previous session. Australia's grim Covid situation, such as the record death count in NSW and the recently announced restrictions may limit the upsides of AUD. The growing Fed rate hike expectations remains a downside risk to the currency this week.

To	S2	S1	Indicative	R1	R2
AUD/MYR	3.0000	3.0100	3.0234	3.0322	3.0475

Source: Bloomberg, HLBB Global Markets Research

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