

12 January 2022

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 little changed at 4.1900 and slipped to as low as 4.1765 before recovering to near 4.1800 at the moment. The broad-based decline in USD is expected to continue supporting the MYR, thus weighing on the pair in the short term, with immediate support at 4.1750; a break below this line moves the next target to 4.1700, then 4.1600. Nonetheless, we anticipate the market to hold back on more extreme action ahead of tonight’s US CPI data.

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	4.1700	4.1750	4.1795	4.1900	4.2000

MYR Crosses

SGD/MYR



SGD/MYR Neutral

SGD/MYR opened little changed at 3.1024. We remain neutral on SGD/MYR, expecting it to stay near at more familiar levels below 3.1000 after the recent up moves. Cautious sentiment ahead of the US CPI data as well as the general expectations of a faster Fed rate hikes is expected to constrain the pair in the short-term.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.0900	3.0926	3.0953	3.1000	3.1030

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened little changed at 5.7129 amid concurrent GBP and MYR strength. GBP/USD bulls has broken the 1.3600 resistance and is seen defending the level this morning against a backdrop of weak USD environment. We expect GBP/MYR to continue trading sideways near the big figure of 5.7000 ahead of the US CPI data.

To	S2	S1	Indicative	R1	R2
GBP/MYR	5.6690	5.6850	5.7010	5.7264	5.7480

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.4% higher at 3.0212, as the pair caught up with the stronger AUD/USD overnight, before retreating to circa 3.0150, driven by a strong MYR. We maintain a neutral view on AUD/MYR, expecting flattish movement within 3.0100-3.0200. AUD/USD is expected to stay supported above 0.7200 despite the the weaker than expected Chinese inflation data as focus is more concentrated on US CPI for guidance.

To	S2	S1	Indicative	R1	R2
AUD/MYR	3.0000	3.0100	3.0143	3.0250	3.0322

Source: Bloomberg, HLBB Global Markets Research

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