

17 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% higher at 4.1835. The pair had weakened by 0.7% last week as the dollar fell across the board. We are neutral on USD/MYR today, expecting little changes ahead of tomorrow’s public holiday as well as BNM’s MPC meeting on 20 Jan (Thursday). On a weekly basis, we expect a neutral to slightly bearish outlook for USD/MYR overall, eyeing a range of 4.16-4.21 given that the expectations for a neutral BNM policy stance will be supportive of the MYR.

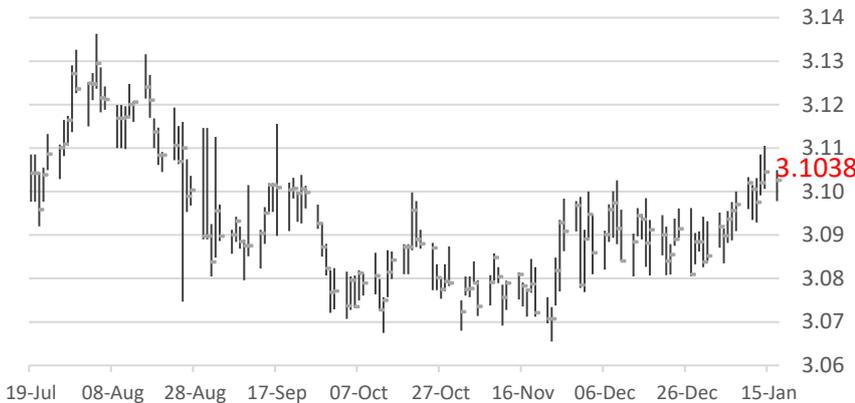
**1-Month Outlook – MYR Neutral**

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	4.1875	4.1900	4.2000

## MYR Crosses

### SGD/MYR



### SGD/MYR Neutral

SGD/MYR opened 0.2% lower at 3.0978 but managed to inch up above 3.1000 as of writing. We turned neutral on SGD/MYR today. The pair had retreated from the recent high of 3.1105 as predicted, after having come close to being overbought. Immediate support resides at 3.0950 and resistance readjusted to 3.1080. Markets appeared to pay no heed to Singapore's upbeat December NODX data which showed 3.7% m/m and 18.4% y/y growth.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.0975	3.1000	3.1038	3.1080	3.1100

### GBP/MYR



### GBP/MYR Neutral

GBP/MYR opened 0.4% lower at 5.7130 after the GBP weakened alongside other G10 currencies last Friday. Overbought conditions and a firmer USD last week sent GBP/USD back below 1.3700, despite stronger than expected UK monthly output indicators. We are neutral on GBP/MYR, expecting muted trading ahead of tomorrow's UK job report.

To	S2	S1	Indicative	R1	R2
GBP/MYR	5.6839	5.7039	5.7233	5.7480	5.7650

### AUD/MYR



### AUD/MYR Neutral

AUD/MYR opened 0.8% lower at 3.0151. AUD/USD trades at circa 0.7200 as of writing as the market is digesting the mixed China's data and the PBOC's 10-bp cut in the 1-year MLF rate; 4Q21 GDP growth came in better than expected at 4.0% y/y but retail sales disappointed. We are neutral on AUD/MYR as the cautious market sentiment (following last session's down moves) alongside muted momentum are expected to keep the pair grounded near 3.0200.

To	S2	S1	Indicative	R1	R2
AUD/MYR	3.0025	3.0100	3.0170	3.0305	3.0457

Source: Bloomberg, HLBB Global Markets Research

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