

24 January 2022

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened unchanged at 4.1855 and is seen moving sideways near the opening levels as of writing. Cautious sentiment at the start of the week ahead of the FOMC meeting may limit today's movement given the lack of major market drivers on the local front. We are neutral on USD/MYR this week, eyeing a range of 4.17-4.20 but highlight that any surprised policy guidance from the FOMC meeting could be a swing factor.

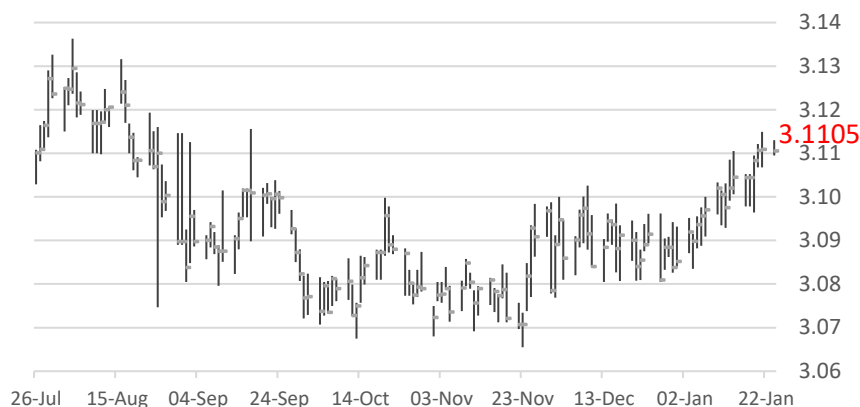
1-Month Outlook – MYR Neutral

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 stay firm supported by aggressive Fed rate hike expectations and likely outperformance of recovery in the US vis-à-vis other majors. That said, the emergence of the Omicron variant could potentially derail the recovery and policy normalization path.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1725	4.1800	4.1840	4.1920	4.2000

MYR Crosses

SGD/MYR



SGD/MYR Neutral

SGD/MYR opened little changed at 3.1129 and slipped back to near 3.1100. We are neutral on SGD/MYR, believing that the upside is capped at 3.1150, an immediate resistance. Cautious sentiment continue to prevail in the market as investors shift their focus to this week's FOMC meeting.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.1040	3.1090	3.1105	3.1150	3.1200

GBP/MYR



GBP/MYR Neutral to Slightly Bearish

GBP/MYR opened 0.1% lower at 5.6734 after the sterling plunged last Friday in response to the poor UK retail sales data. We are neutral to slightly bearish on GBP/MYR but the downsides appeared limited after the recent down moves and the expectations for a BOE hike in early February seems intact for now.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6500	5.6652	5.6733	5.6800	5.7064

AUD/MYR



AUD/MYR Neutral to Slightly Bearish

AUD/MYR opened little changed at 3.0085. AUD/USD stayed below 0.7200, at circa 0.7185. The pair looks to test 0.7160 against a backdrop of risk-off sentiment, but pre-FOMC caution may limit the downsides, rendering a neutral to slightly bearish outlook.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9900	3.0000	3.0047	3.0138	3.0244

Source: Bloomberg, HLBB Global Markets Research

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