

2 March 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened 0.2% lower at 4.0480 but has returned above 4.05 as of writing. We maintain our neutral call on USD/MYR, expecting a range of 4.04-4.07 this week ahead of BNM's OPR decision where we do not expect any change in rates and policy tone.

1-Month Outlook – MYR Bullish

We remain constructive on MYR anchored by diminishing expectation on further OPR cut by BNM. Improving global crude oil prices should also augur well with MYR gains although we have been seeing less of such influence the past few weeks. USD resilience remains a key driving factor, and this is pushing back our expectations for MYR appreciation minimally.

	S2	S1	Indicative	R1	R2
USD/MYR	4.0250	4.0400	4.0545	4.0600	4.0700

MYR Crosses

EUR/MYR



EUR/MYR Neutral to Bearish

EUR/MYR opened little changed at 4.8863. Pair continued to weaken for the third consecutive session, driven by stronger USD. The continued selling of EUR is likely to weigh on EUR/MYR. Eurozone's HICP inflation data are up next in the data docket.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8300	4.8580	4.8728	4.8813	4.8970

GBP/MYR



GBP/MYR Neutral to Bearish

GBP/MYR opened 0.1% lower at 5.6486 following a flattish GBP/USD performance overnight. GBP/MYR continues to correct from recent high, with support now residing at 5.60. Having said that, we expect some resilience in GBP given its net long position.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5800	5.6000	5.6279	5.6500	5.6700

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.3% higher at 3.152 after commodity currencies strengthened overnight. We are neutral ahead of RBA's policy decision, looking for any commentary on RBA's 3-year yield target and the strong Aussie dollar.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1000	3.1200	3.1423	3.1726	3.2000

Source: Bloomberg, HLBB Global Markets Research

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