

4 March 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened little changed at 4.0520 and is seen hovering at 4.0540 as of writing. We maintain our neutral call on USD/MYR ahead of today's 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	4.0540	4.0600	4.0700

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened 0.2% lower at 4.8804 after the EUR failed to sustain recent gain amid the broad-based dollar resurgence. We turned neutral on EUR/MYR as focus now turns to next week's ECB meeting where markets are expecting Lagarde to address the issue of rising bond yields, potentially via more bonds purchases.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8300	4.8580	4.8866	4.9022	4.9155

GBP/MYR



GBP/MYR Neutral to Bearish

GBP/MYR opened 0.3% lower at 5.6402, in line with weaker GBP/USD. A correction to below 14000 has turned momentum away from the previous uptrend. This should concurrently cap any upside of GBP/MYR. Having said that, we expect some resilience in GBP given its net long position against the USD.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6000	5.6298	5.6511	5.6700	5.6873

AUD/MYR



AUD/MYR Neutral to Bullish

AUD/MYR opened 0.9% lower at 3.1409 as commodity currencies faltered against the stronger USD, despite the rebound in oil prices. Australia's better than expected provided some minor boost to AUD/USD but the upside remained capped below 0.78. This would simultaneously keep AUD/MYR below 3.16.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1200	3.1400	3.1582	3.1600	3.1816

Source: Bloomberg, HLBB Global Markets Research

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