

5 March 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Bearish

USD/MYR opened little changed at 4.0560 but has strengthened to breach 4.06, currently trading just a tad lower than 4.07. This is in line with our expectations that USD/MYR may move in tandem with the higher USD today amid risk aversion. We maintain that some upside may be capped by the recent surge in oil prices and expectation of a tighter market facing a pickup in demand.

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 | 4.0690 | 4.0700 | 4.0800 |

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened 0.6% lower at 4.8558, catching up with the further down moves of EUR/USD. Pair is largely driven by the dollar sentiment for now as focus turns to next week's ECB meeting where markets are expecting Lagarde to address the issue of rising bond yields.

| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| EUR/MYR | 4.8300 | 4.8580 | 4.8652 | 4.8843 | 4.9000 |

GBP/MYR



GBP/MYR Neutral to Bearish

GBP/MYR opened 0.3% lower at 5.6371, in line with the weaker GBP/USD. Despite that, the pair continues to trade within recent ranges as momentum faded. We continue to expect some resilience in GBP given its net long position against the USD.

| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| GBP/MYR | 5.6000 | 5.6298 | 5.6516 | 5.6700 | 5.6873 |

AUD/MYR



AUD/MYR Neutral to Bearish

AUD/MYR opened 1.1% lower at 3.1308, catching up with AUD's down moves overnight. With AUD/USD hovering around 0.77, we expect risk aversion to keep AUD/MYR down despite the surge in oil prices.

| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| AUD/MYR | 3.1000 | 3.1200 | 3.1352 | 3.1600 | 3.1816 |

Source: Bloomberg, HLBB Global Markets Research

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