

5 April 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 4.1405. We expect a neutral MYR this week as the USD outlook, while remaining bullish, will likely turn more muted. This likely leaves USD/MYR trading withing a range of 4.13-4.17 for the week ahead. Key event is the release of the Federal Reserve's FOMC meeting minutes.

1-Month Outlook – MYR Bearish

We have adjusted our G10 and Asia FX forecasts, taking into account a stronger dollar profile for 1H-2021, before some weakness from 2H-2021. We see some support in the dollar amid concerns on rising yields. Notably, we expect the dollar to strengthen towards 2Q before trending down and thus a higher USD/MYR in the medium term.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1300	4.1400	4.1420	4.1650	4.1800

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened 0.1% lower at 4.8708. We expect the pair to hover at current levels as markets are likely to remain muted given the lack of major drivers. In the medium term, expectation of a sluggish Eurozone's growth following the most recent announcement of a French national lockdown is likely to weigh on the pair.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8300	4.8500	4.8735	4.8830	4.8950

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened little changed at 5.7251. Pair is still driven by the dollar's direction and is likely to be neutral. In the medium term, we foresee the GBP to be more resilient compared to EUR as the UK continued to report stable trends in its new Covid cases and quick progress in its vaccination efforts.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6750	5.6962	5.7311	5.7360	5.7600

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened little changed at 3.1538. No change to our neutral outlook for now ahead of the RBA's meeting. We do not foresee any major surprises from the RBA and it is very likely to stick to its dovish stance, emphasising the importance of reaching sustainable wages growth.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1100	3.1350	3.1567	3.1725	3.1850

Source: Bloomberg, HLBB Global Markets Research

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