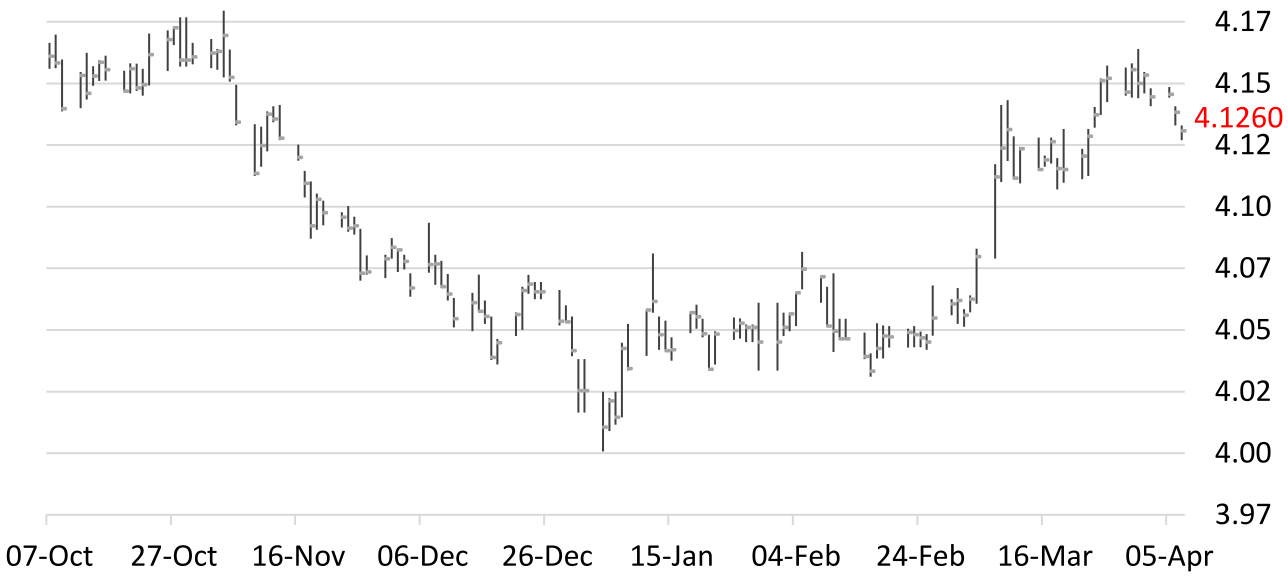
7 April 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to Bullish

USD/MYR opened 0.2% lower at 4.1265 and was little changed since morning. This is in line with our view that a break below 4.13 would be followed by a more neutral movement amid a lack of key drivers and ahead of the FOMC meeting minutes. We remain neutral to bullish on MYR as strong USD sentiment retreats alongside lower US yield. This is likely to be a short-term move as we foresee strong economic indicators and vaccine optimism to push yields and USD higher in the more medium term.

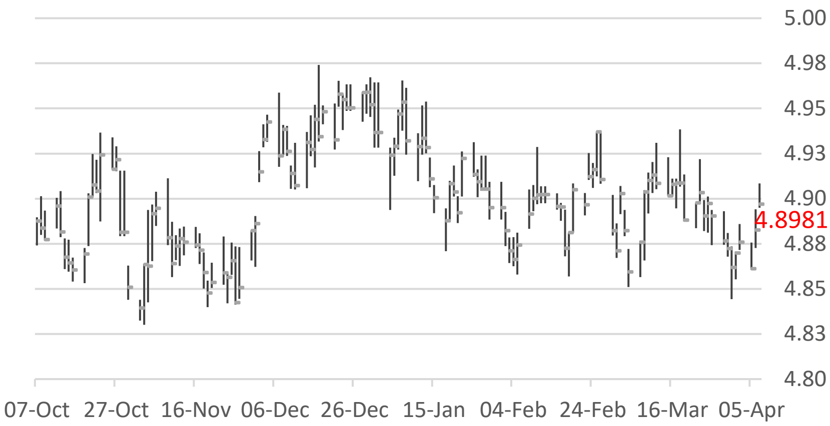
1-Month Outlook – MYR Bearish

No change to our present view of a stronger dollar which is likely to benefit from higher US yields as the economy recovered further in the US. We continue to expect the dollar to strengthen towards 2Q before trending down in 2H of the year and thus a higher USD/MYR in the medium term.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1000	4.1200	4.1260	4.1500	4.1700

MYR Crosses

EUR/MYR



EUR/MYR Neutral to Bullish

EUR/MYR opened 0.6% higher at 4.9078 amid extended USD weakness that helps support the euro. We see some room for EUR/USD to examine the 1.19 big figure, thus a potentially parallel move in EUR/MYR, eyeing 4.90 next.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8600	4.8800	4.8981	4.9100	4.9350

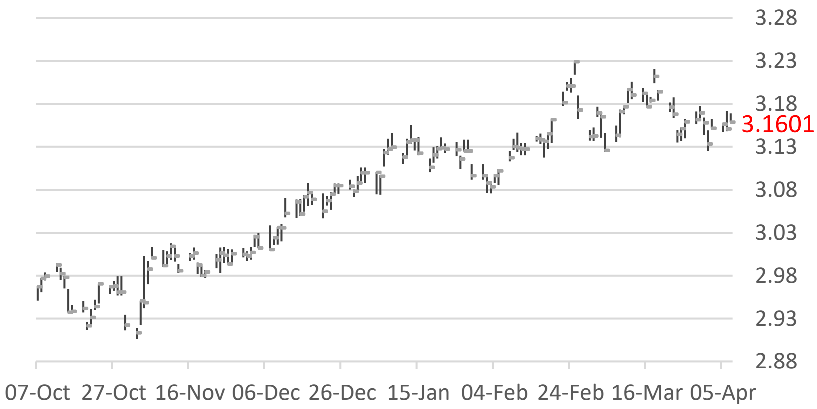
GBP/MYR

GBP/MYR Neutral to Bullish

GBP/MYR opened 0.1% lower at 5.7164 as GBP/USD was dampened by some profit taking and short positions post-Easter, despite positive fundamentals. We continue to see a more resilient GBP compared to the EUR, while recent USD weakness paves way for GBP/USD to test 1.40 level, potentially boosting GBP/MYR along.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6560	5.6850	5.7040	5.7200	5.7600

AUD/MYR



AUD/MYR Neutral to Bullish

AUD/MYR opened 0.6% higher at 3.1687. AUD is likely to be supported by the surge in risk sentiments. The upward reversal of crude oil prices, alongside the RBA's more positive economic assessment and IMF's growth upgrades also act as boosters for AUD/MYR.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1350	3.1515	3.1601	3.1725	3.1850

Source: Bloomberg, HLBB Global Markets Research

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