

10 March 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened 0.1% lower at 4.1135. After reaching as high as 4.1365, USD/MYR pulled back to close at 4.1190 on Tuesday. The immediate focus is on US CPI tonight as well as the auction of 10Y treasury notes. A strong CPI reading could trigger yet another round of selloff, reviving the broad USD bulls. This would offer another boost to USD/MYR potentially to 4.15 before trending lower for a correction.

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	4.0800	4.1000	4.1295	4.1350	4.1500

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened little changed at 4.9000 and is still hovering near this level as of writing. We are still neutral on EUR/MYR as focus turns to this Thursday's ECB meeting where markets are expecting Lagarde to address the issue of rising bond yields.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8700	4.8872	4.9021	4.9091	4.9200

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened unchanged at 5.7196, with minor movements so far since this morning. No change to our neutral view on GBP/MYR amid some stabilisation. A correction in MYR should trim off this sharp gain in the short term. However we continue to expect some resilience in GBP in the medium term given its net long position against the USD.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6298	5.6758	5.7203	5.7400	5.7500

AUD/MYR



AUD/MYR Neutral to Bearish

AUD/MYR opened 0.2% higher at 3.1775 but has trimmed some gains to trade below 3.17 as of writing. This came after AUD strengthened overnight but RBA Governor Lowe's remark tamed down the bullish AUD/USD sentiment. AUD/USD continues to trade below 0.77, and AUD/MYR is expected to move in tandem, with limited upside even as oil prices remains supported.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1200	3.1430	3.1689	3.1800	3.2000

Source: Bloomberg, HLBB Global Markets Research

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damansara

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hlbb.hongleong.com.my**DISCLAIMER**

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