15 March 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR

Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to Bearish

USD/MYR opened little changed at 4.1180. We remain bullish on USD/MYR, but note that the pair may consolidate after recent rally before making further climbs higher. Volatility remains but prospects of more cautious trading in the USD ahead of a closely-watched FOMC meeting this week on the Fed stance on inflation and bond yields will likely result in a somewhat more muted move overall. We are eyeing a range of 4.09-4.15 in the week ahead.

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	4.1125	4.1350	4.1500

MYR Crosses

EUR/MYR

EUR/MYR Neutral

EUR/MYR opened 0.2% higher at 4.9215. EUR has remained slightly resilient amid higher USD yield and despite the ECB's decision to front load its bond purchases under PEPP. We are neutral on the pair ahead of FOMC; pair is now more dollar-driven. In the more medium term, ECB's frontloaded purchases are expected to weigh on the EUR.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8872	4.9000	4.9176	4.9366	4.9500

GBP/MYR

GBP/MYR Neutral

GBP/MYR opened little changed at 5.7371 with GBP/USD trading continuously within the 1.38-1.39 range. UK's monthly GDP contraction is expected and did not elicit meaningful movements last week. Pair is driven primarily by USD sentiment for now, ahead of FOMC and BOE's meetings.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6850	5.7200	5.7319	5.7650	5.7800

AUD/MYR

AUD/MYR Neutral

AUD/MYR opened 0.2% higher at 3.1970 but is expected to stay neutral today much like the past two sessions, undeterred by China's key economic data. Cautious sentiment ahead of major central bank's meeting is likely to cap on any movements.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1650	3.1800	3.1905	3.2100	3.2290

Source: Bloomberg, HLBB Global Markets Research

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