

18 March 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 0.3% lower at 4.1100. The Fed's dovish policy stance alongside the newly announced Malaysian stimulus package is expected to erase some gains in USD/MYR as seen in the overnight broad-based selloff of the USD. We continue to eye a weekly range of 4.09-4.15 but expect the pair to be confined within 4.10-4.1350.

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	4.0900	4.1000	4.1145	4.1350	4.1500

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened 0.7% higher at 4.9382, catching up with stronger EUR/USD post-FOMC. EUR has turned slightly bullish after the Fed's dovish policy stance, but the resilience in MYR is likely to cap the upside for EUR/MYR. Expect Eurozone's pandemic-related downturn, PEPP front loading to weigh on EUR in the more medium term.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8872	4.9000	4.9250	4.9366	4.9500

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.6% higher at 5.7594. We maintain our neutral view on GBP/MYR ahead of the BOE's MPC decision. We expect BOE to maintain its cautious economic assessment as well as its monetary policy.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.7000	5.7150	5.7407	5.7600	5.7800

AUD/MYR



AUD/MYR Neutral to Bullish

AUD/MYR opened 1.2% higher at 3.2205, riding on the risk-on sentiment. This was further boosted by the superb Australian job data (0.5ppts fall in unemployment rate alongside strong gain in full-time jobs), paving way for more upside to AUD/MYR.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1650	3.1800	3.2192	3.2290	3.2400

Source: Bloomberg, HLBB Global Markets Research

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