19 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 0.2% higher at 4.1200. The rebound in USD alongside the fall in oil prices amid the renewed risk-off sentiment is expected to weigh on the MYR today especially ahead of the weekend, potentially leading USD/MYR to trade near the upper side of our weekly 4.09-4.15 range. For the week ahead, we expect the USD to remain supported by higher US yields as the selloff in treasuries extends to next week.

**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 | 4.1210 | 4.1350 | 4.1500 |

## MYR Crosses

### EUR/MYR


**EUR/MYR Neutral to Bearish**

EUR/MYR opened 0.3% lower at 4.8988, after EUR/USD reversed the post-FOMC gain. The divergence in growth outlook for the US and EU is expected to weigh on EUR/USD as the selloff in US treasuries continue. Extended lockdowns in key European countries, slower vaccination pace alongside the PEPP front loading likely contribute to further downside.

| | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| EUR/MYR | 4.8872 | 4.9000 | 4.9078 | 4.9366 | 4.9500 |

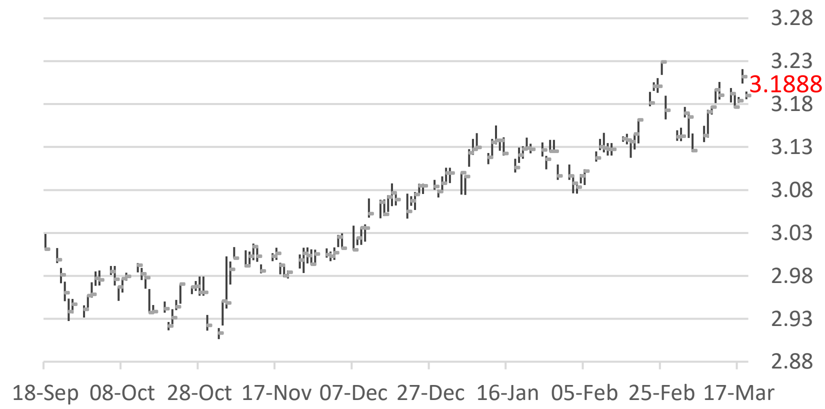
### GBP/MYR


**GBP/MYR Neutral to Bearish**

GBP/MYR opened 0.3% lower at 5.7231, catching up with the weaker GBP amid the dollar resurgence. The BOE's policy statement did not offer much surprise apart from a few lines on rising bond yields. GBP is very much dollar driven for now. Next week's January job report and retail sales are likely to have deteriorated. Less negative readings could provide some short-term boost to GBP.

| | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| GBP/MYR | 5.7000 | 5.7150 | 5.7339 | 5.7600 | 5.7800 |

### AUD/MYR




**AUD/MYR Neutral to Bearish**

AUD/MYR opened 0.8% lower at 3.1869 as global markets turned risk averse. The steep declines in crude oil prices are expected to weigh on AUD, now trading at the lower end of 0.77 against the USD. Expect AUD/MYR to move in tandem as well.

| | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| AUD/MYR | 3.1650 | 3.1800 | 3.1888 | 3.2000 | 3.2200 |

*Source: Bloomberg, HLBB Global Markets Research*

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