23 February 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 0.1% lower at 4.0385. Despite rising bond yields, the greenback remained weighed down by bullish sentiments. We turn neutral to bearish on USD/MYR, expecting the pair to be slightly driven by broader USD movement, anticipating a range of 4.0250-4.0600. Malaysia's CPI and exports data are unlikely to elicit much market movements.

1-Month Outlook – MYR Bullish

We are bearish on USD/MYR on a one-month basis. Recent USD weakness has strengthened the downward trajectory in the pair. Expectations for further improvement in economic prospects in 2021 following progress in vaccination should bode well with investor risk appetite, hence our bearish view on the USD and bullish view on the MYR as a potential beneficiary of inflows into emerging markets, especially EM Asia, supported by an Asia-led recovery story.

	S2	S1	Indicative	R1	R2
USD/MYR	4.0200	4.0250	4.0380	4.0470	4.0520

MYR Crosses

EUR/MYR

EUR/MYR Neutral to Bullish

EUR/MYR opened 0.5% higher at 4.9192, catching up overnight's market movements. We turned neutral to bullish on EUR/MYR thanks to the bearish sentiment surrounding the USD. EUR's net long position supports the case.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8764	4.8927	4.9169	4.9200	4.9400

GBP/MYR

GBP/MYR Neutral to Bullish

GBP/MYR opened 0.5% higher at 5.6891 as bullish GBP sentiments persisted. We remain neutral-to-bullish on GBP/USD. GBP is likely to continue benefitting from upbeat Covid-19 sentiment (lower cases and quick vaccinations). The UK's job data due later today could be a market driver.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6276	5.6347	5.6867	5.6900	5.7000

AUD/MYR

AUD/MYR Neutral to Bullish

AUD/MYR opened 0.6% higher at 3.2006 after the sharp gain in AUD/USD overnight The bullish oil sentiment is likely to support AUD in general. Overbought RSI condition risks sending the pair down to 3.15-3.17.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1500	3.1700	3.2031	3.2100	3.2200

Source: Bloomberg, HLBB Global Markets Research

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