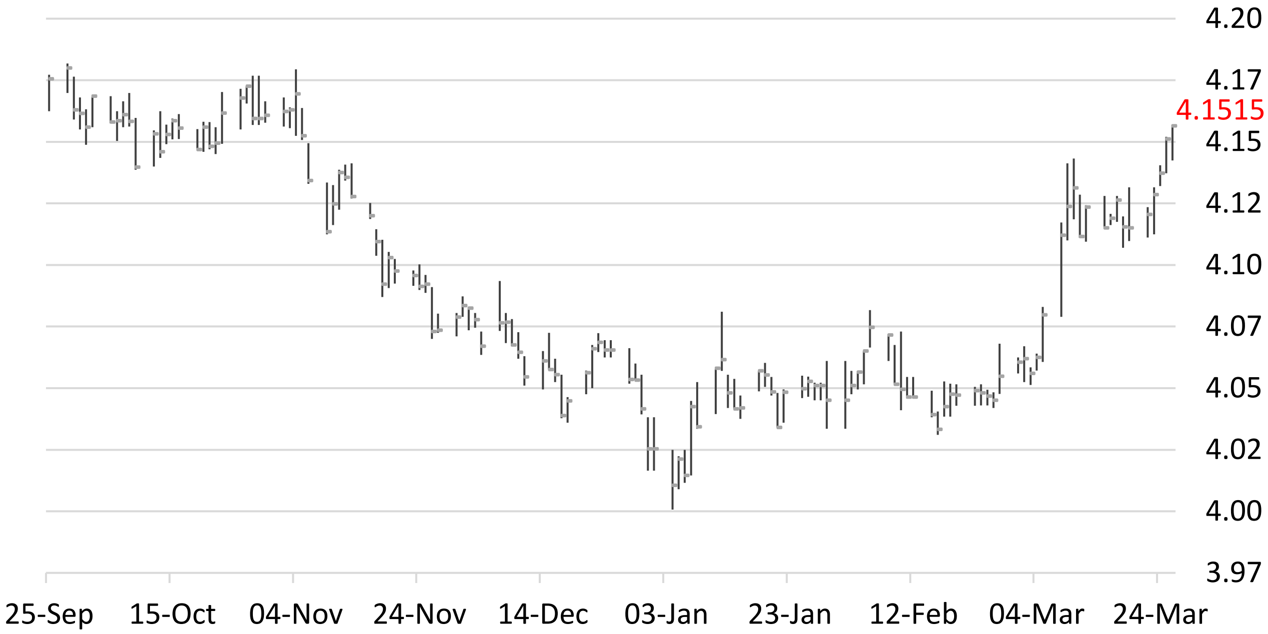
26 March 2021

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 4.1460. We are still neutral to bullish on the pair as the strong dollar sentiment looks likely to persist. The pair has now hit above 4.15 with the next resistance level at 4.1650. Downside to this view is a more cautious trading ahead of the weekend.

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	4.1200	4.1400	4.1515	4.1650	4.1800

MYR Crosses

EUR/MYR

EUR/MYR Neutral to Bearish

EUR/MYR opened 0.2% lower at 4.8826. We maintain our neutral to bearish EUR/MYR outlook, as risk aversion offers support to USD. In the meantime, market has become increasingly concern over the third Covid-19 wave in Europe. Slower vaccination rate and more sluggish growth pose further downside risk to the pair.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8560	4.8769	4.8911	4.9200	4.9380

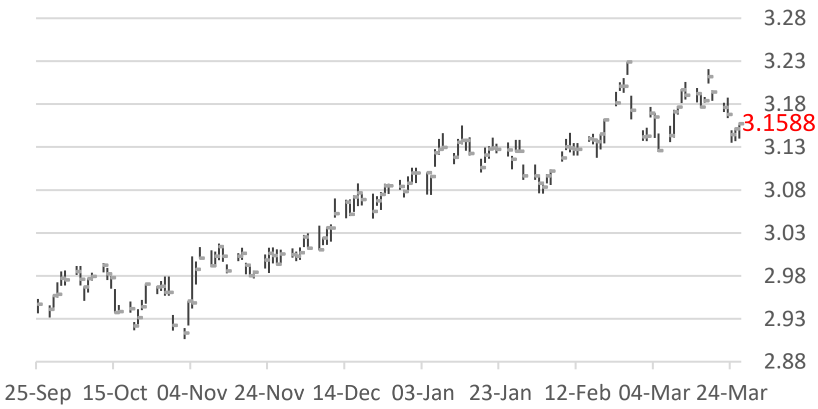
GBP/MYR

GBP/MYR Neutral to Bearish

GBP/MYR opened 0.5% higher at 5.7000 as the GBP was the sole gainer against the USD overnight. We remain neutral to bearish as GBP is expected to be pressured by a strong USD. The easing in vaccine exports related tension between the UK and EU however offers some reprieves.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6400	5.6915	5.7121	5.7220	5.7360

AUD/MYR



AUD/MYR Neutral to Bearish

AUD/MYR opened little changed at 3.1483. Risk aversion alongside concerns over oil demand are expected to continue weighing on AUD/USD. We expect the same bearish sentiment for AUD/MYR.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1200	3.1365	3.1588	3.1778	3.2000

Source: Bloomberg, HLBB Global Markets Research

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