29 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 continue to expect bearishness in the MYR in the week ahead supported by a bullish USD outlook, eyeing a range of 4.13-4.18. The pair is currently in an overbought position suggesting some consolidation is on the cards but positive momentum indicators signal there is still room for the pair to climb higher.

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	4.1480	4.1650	4.1800

MYR Crosses

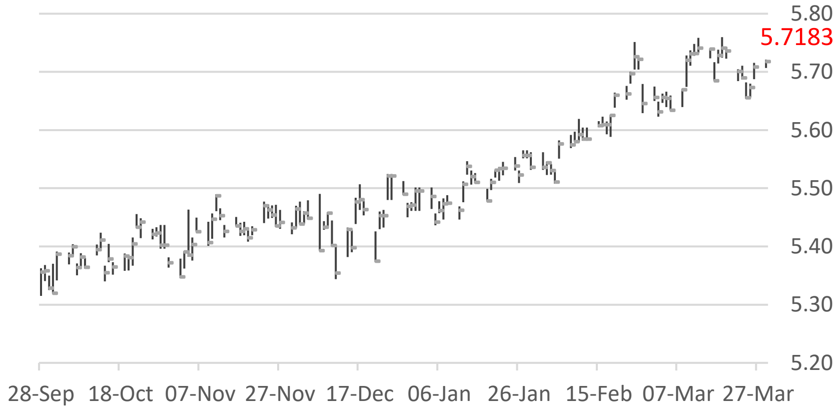
EUR/MYR

EUR/MYR Neutral to Bearish

EUR/MYR opened little changed at 4.8884. We maintain our neutral to bearish EUR/MYR outlook, as risk aversion is expected to support USD. A combination of several pandemic related factors i.e., Europe's slower vaccination rate, extended lockdowns are expected to continue weighing on EUR.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.8560	4.8769	4.8897	4.9200	4.9380

GBP/MYR

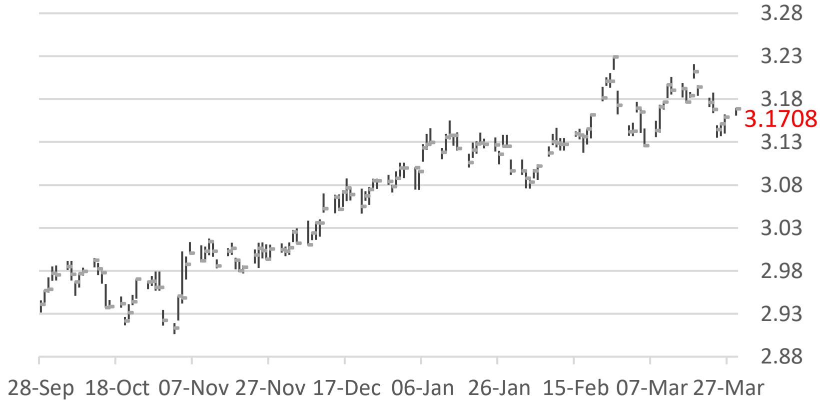


GBP/MYR Neutral to Bearish

GBP/MYR opened 0.2% higher at 5.7189. No change to our neutral to bearish outlook on GBP, expecting it to be pressured by a strong USD but GBP is likely to be more resilient compared to EUR. The easing in vaccine exports related tension between the UK and EU have also offered some reprieves.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6400	5.6915	5.7183	5.7220	5.7360

AUD/MYR



AUD/MYR Neutral to Bearish

AUD/MYR opened 0.3% higher at 3.1672. Risk aversion alongside some jittery over US-China trade relation is expected to cap the AUD's strength. We expect the same neutral-to-bearish sentiment for AUD/MYR, awaiting more development over US-China relation.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1365	3.1524	3.1708	3.1778	3.2000

Source: Bloomberg, HLBB Global Markets Research

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