

30 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 4.1430. We continue to expect bearishness in the MYR supported by a bullish USD outlook, eyeing a range of 4.13-4.18. The pair is still hovering near overbought level suggesting some consolidation remains possible. Meanwhile, 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	4.1440	4.1650	4.1800

MYR Crosses

EUR/MYR



EUR/MYR Neutral to Bearish

EUR/MYR opened little changed at 4.8738. We maintain our neutral to bearish EUR/MYR outlook, as we expect the USD to remain well supported this week. 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	4.8500	4.8700	4.8773	4.8950	4.9200

GBP/MYR



GBP/MYR Neutral to Bearish

GBP/MYR opened 0.3% lower at 5.7046. We remain neutral to bearish on GBP, expecting it to be pressured by a strong USD. However, we also foresee the GBP to be more resilient compared to EUR as the UK continued to report stable trends in its new Covid cases.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6400	5.6915	5.7086	5.7220	5.7360

AUD/MYR



AUD/MYR Neutral to Bearish

AUD/MYR opened little changed at 3.1633. Cautious sentiment alongside stronger USD is expected to cap on any AUD's strength. We expect the same neutral-to-bearish sentiment for AUD/MYR.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1365	3.1524	3.1695	3.1778	3.2000

Source: Bloomberg, HLBB Global Markets Research

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