

31 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 0.3% lower at 4.1395 but has strengthened to above 4.15 as of writing. 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	4.1545	4.1650	4.1800



MYR Crosses

EUR/MYR



30-Sep 20-Oct 09-Nov 29-Nov 19-Dec 08-Jan 28-Jan 17-Feb 09-Mar 29-Mar

EUR/MYR Neutral to Bearish

EUR/MYR opened 0.2% lower at 4.8666. 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	4.8300	4.8500	4.8648	4.8830	4.8950

GBP/MYR

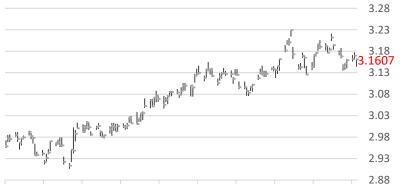


GBP/MYR Neutral to Bearish

GBP/MYR opened 0.2% lower at 5.7062, hovering at recent levels. 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 and quick progress in its vaccination efforts.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6400	5.6915	5.7059	5.7220	5.7360

AUD/MYR



30-Sep 20-Oct 09-Nov 29-Nov 19-Dec 08-Jan 28-Jan 17-Feb 09-Mar 29-Mar

AUD/MYR Neutral to Bearish

AUD/MYR opened 0.4% lower at 3.1579 as the AUD weakened against USD overnight. Cautious sentiment alongside stronger USD is expected to pressure AUD/USD now trading at the edge of 0.76. We expect AUD/MYR to move in tandem.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1365	3.1524	3.1607	3.1778	3.2000

Source: Bloomberg, HLBB Global Markets Research



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