

4 March 2022

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened 0.03% lower at 4.1865. BNM kept OPR unchanged at 1.75% yesterday and maintained an overall neutral MPC statement. MYR is likely to be supported by the elevated commodity prices but some pre-weekend the renewed risk-off sentiment stemming from Russian attack on a Ukrainian nuclear plant may kick in to prevent any major down moves in the pair. We expect the pair to remain above 4.1800 in today's session, as the market anticipates the US job report.

1-Month Outlook – MYR Neutral

We expect the MYR to be relatively resilient in the medium term, taking into account further economic recovery after the government relaxed more Covid-19 related restrictions. Recent rally in global oil prices should provide an added impetus. This also takes into account our view that the broader USD is also expected to stay firm supported by haven demand, Fed rate hike expectations and likely outperformance of recovery in the US vis-à-vis other majors. That said, the Russia-Ukraine crisis, emergence of the Omicron variant earlier could potentially derail the recovery and policy normalization path.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1800	4.1850	4.1910	4.1970	4.2050

MYR Crosses

SGD/MYR



SGD/MYR Bearish

SGD/MYR opened 0.09% higher at 3.0865 but retreated to near 3.0800 as of writing. We are bearish on SGD/MYR today, with immediate support at 3.0800, as the Russian attack on Ukrainian nuclear plant further exposes emerging market currencies to a selloff, and we expect the MYR to remain relatively resilient compared to SGD in spite of the new development.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.0750	3.0800	3.0812	3.0865	3.0950

GBP/MYR



GBP/MYR Slightly Bearish

GBP/MYR opened 0.26% lower at 5.5912, consistent with the overnight pound weakness. The sterling's down moves may be extended to today's session as the market reacts to the attack on Ukrainian nuclear plant by fleeing to safe haven assets. The downsides may be limited by the anticipation for US job report tonight.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5633	5.5758	5.5870	5.6000	5.6215

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.51% higher at 3.0725, catching up with the rally in commodity currencies overnight. AUD continues to benefit from the elevated commodity prices as Brent crude recovered this morning in response to the nuclear plant attack. We remain neutral on AUD/MYR today, reflecting concurrent resilience of both AUD and MYR thanks to the surge in commodity prices.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0363	3.0500	3.0695	3.0750	3.0900

Source: Bloomberg, HLBB Global Markets Research

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