

7 April 2022

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to Slightly Bearish

USD/MYR opened 0.03% higher at 4.2150 and briefly went up to a daily high of 4.2195. We continue to expect the pair to remain supported near 4.2200, with next resistance at 4.2250 following the release of a hawkish Fed minutes.

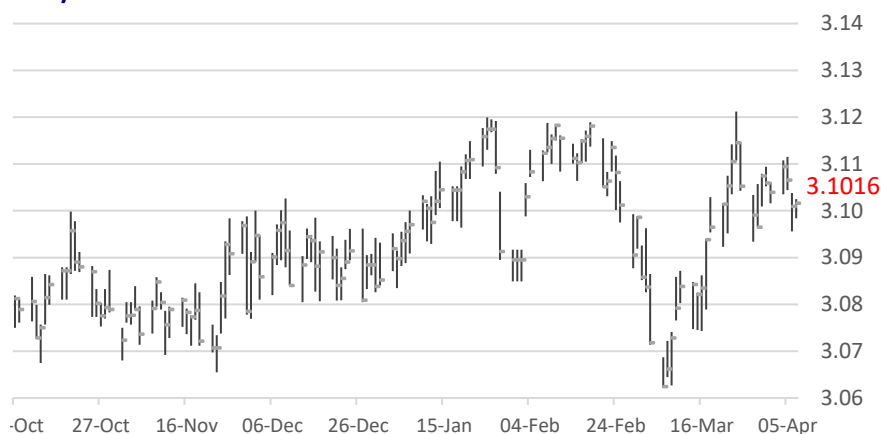
1-Month Outlook – MYR Neutral

We expect the MYR to be relatively resilient in the medium term, taking into account further economic recovery as the government reopens the Malaysian border on 1 April. Recent rally in global commodity prices coupled with the soon to be implemented 25% increase in minimum wage to RM1,500 effective 1-May 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 could potentially derail the recovery and policy normalization path.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1940	4.2050	4.2160	4.2250	4.2300

MYR Crosses

SGD/MYR



SGD/MYR Neutral

SGD/MYR opened 0.10% lower at 3.0978. No change to our view that the cross will range-bound within 3.1000-3.1100 against a backdrop of USD strength. Upsides are still capped at circa 3.1150 for now. We also maintain our expectations that the SGD outlook will be supported by the stronger MAS tightening expectations in mid-April to curb inflation and amid the city-state's transition to endemicity.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.0915	3.1000	3.1016	3.1150	3.1200

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.18% lower at 5.5090. GBP/USD remains relatively steady compared to the other G10 currencies. GBP/MYR is expected to stay supported above 5.5000. We continue to see a suppressed sterling outlook, attributed to the dimmer UK growth expectations unless a major positive development on the Russia-Ukraine front spurs the rally in risk assets.

To	S2	S1	Indicative	R1	R2
GBP/MYR	5.4750	5.5000	5.5106	5.5500	5.5875

AUD/MYR



AUD/MYR Neutral to Slightly Bearish

AUD/MYR opened 1.00% lower at 3.1640. This came as AUD/USD slumped alongside crude oil prices overnight, reversing the gains associated with the hawkish RBA signals. The sharp reversal in AUD/MYR left the cross at a more balanced position, pointing to some stabilisations in the short term above 3.1500. The volatilities in the oil market remains a major risk to the Aussie dollar.

To	S2	S1	Indicative	R1	R2
AUD/MYR	3.1260	3.1500	3.1606	3.2000	3.2200

Source: Bloomberg, HLBB Global Markets Research

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