

8 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 0.05% lower at 4.2175, but advancing to breach 4.2200 as of writing following the broad dollar appreciation overnight. We remain neutral to slightly bullish on the pair, expecting the pair to remain supported near 4.2200, with the next level resistance at 4.2250 amid hawkish Fed speak.

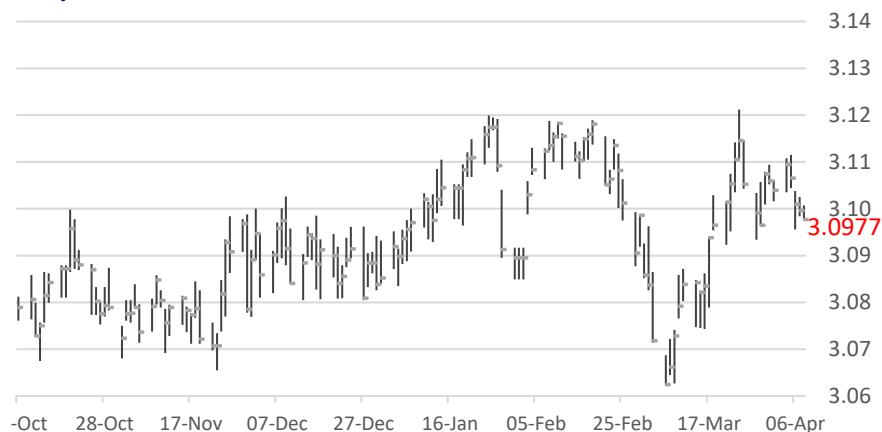
1-Month Outlook – MYR Neutral

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	4.2205	4.2250	4.2300

MYR Crosses

SGD/MYR



SGD/MYR Neutral

SGD/MYR opened 0.04% lower at 3.0982 amid the broad-based weakening of EM currencies. The downsides of the cross are limited in the near-term, as it is likely to stay supported above 3.0950 ahead of next week's MAS policy decision. However, the market's eagerness for a hawkish MAS tightening and the resulting over-pricing may lead to a disappointment and potential down moves for SGD.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.0900	3.0915	3.0977	3.1100	3.1150

GBP/MYR

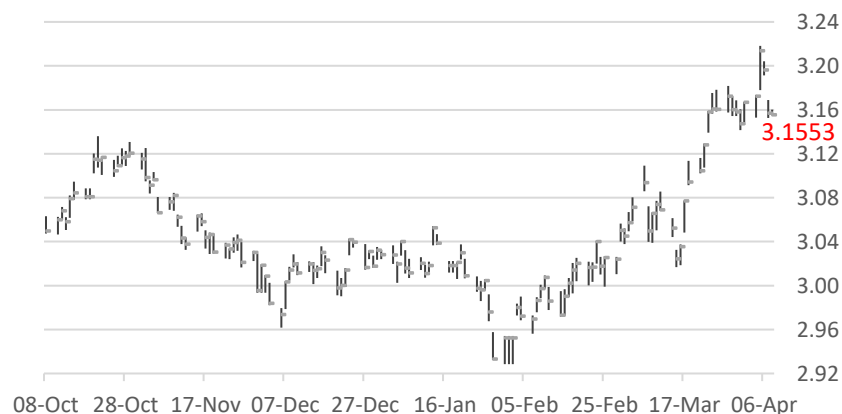


GBP/MYR Neutral

GBP/MYR opened 0.02% higher at 5.5145. GBP/USD remains relatively steady compared to the other G10 currencies, moving less than 0.1% for the past two sessions. We continue to expect GBP/MYR to stay supported above 5.5000. We still 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.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4750	5.5000	5.5163	5.5500	5.5875

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.03% lower at 3.1556. AUD/USD slumped further overnight, leading the losses among commodity pairs. The recent sharp reversal in AUD/MYR now leaves 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.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1260	3.1500	3.1553	3.2000	3.2200

Source: Bloomberg, HLBB Global Markets Research

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