

8 June 2022

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened little changed at 4.3945 (+0.02%) this morning and was seen rangetrading at the 4.39 handle. We expect USD/MYR to trade on a Neutral note today in the absence of fresh catalysts. The 4.40 level remains a major resistance whilst downside appeared to be limited at 4.35-4.37.

1-Month Outlook - MYR Neutral

We expect the MYR to recover some lost ground in the medium term; supported by the further economic recovery as the government reopened the Malaysian border on 1st April. Recent rally in global commodity prices coupled with increase in minimum wage to RM1,500 effective 1st May should provide an added impetus along with the advantage of elevated oil prices. Firmer growth outlook has resulted in a 25bps increase in the OPR by BNM at the May MPC meeting and we expect another 50bps increase for the remainder of this year. We have taken into account the broader USD which is expected to stay firm supported by safe haven demand, Fed rate hike expectations and economic outperformance in the US visavis other majors. On the flipside, the Russia-Ukraine crisis could potentially derail recovery and policy normalization path.

	S2	S1	Indicative	R1	R2
USD/MYR	4.3680	4.3770	4.3948	4.4000	4.4078



MYR Crosses

SGD/MYR



SGD/MYR Nuetral

SGD/MYR opened 0.13% higher at 3.1975 and has since nudged slightly lower. The cross is expected to trade on a neutral note within the 3.18-3.19 ranges today with little to drive the MYR and SGD. Over the more medium term, divergence between the MAS and BNM policy path and economic outlook will be key influences.

То	S2	S1	Indicative	R1	R2
SGD/MYR	3.1741	3.1823	3.1954	3.2000	3.2050

GBP/MYR

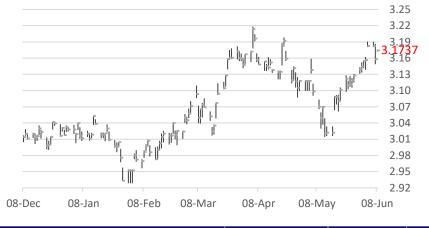


GBP/MYR Slightly Bullish

GBP/MYR opened 0.70% higher at 5.5306 but has since pared some gains to 5.5245. Daily outlook is slightly bullish following the higher opening amid prospect of a neutral GBP and MYR. Upside remains capped by 5.55 while support lies at 5.50. The next key event risk for the pair would be the BOE meeting on 16-June where another 25bps hike is expected.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4800	5.5000	5.5245	5.5510	5.5746

AUD/MYR



AUD/MYR Bullish

AUD/MYR opened 0.48% higher at 3.1729 and was seen hovering at this level at time of writing. Daily outlook is bullish given the higher opening, although we expect both AUD and MYR to trade sideways amid lack of fresh catalyst. The RBA raised rates by 50bps yesterday, vs consensus estimate for a 25bps hike and the 40bps considered in the previous meeting. The hawkish RBA will support the AUD although the knee jerk spike was quick to normalize.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1553	3.1648	3.1737	3.1880	3.2000

Source: Bloomberg, HLBB Global Markets Research



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