

9 February 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 4.1840 and continued to range trade within 4.1830-4.1860. We remain neutral on the pair today and in the week ahead, eyeing a weekly range of 4.17-4.20 amid cautious sentiment as the market eyes US CPI data and Malaysia's 4Q21 GDP reading (due 11-Feb).

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. This also takes into account our view that the broader USD is also expected to stay firm supported by aggressive Fed rate hike expectations and likely outperformance of recovery in the US vis-à-vis other majors. That said, the emergence of the Omicron variant could potentially derail the recovery and policy normalization path.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1600	4.1730	4.1845	4.1920	4.2070

MYR Crosses

SGD/MYR



SGD/MYR Neutral to Slightly Bullish

SGD/MYR opened little changed at 3.1115 and advanced further to 3.1130 despite the USD resurgence. We maintain view that SGD/MYR has more room to head higher, towards 3.1130-3.1150 range, taking into account a solid Singapore fundamentals.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.1065	3.1100	3.1135	3.1150	3.1200

GBP/MYR



GBP/MYR Neutral to Slightly Bullish

GBP/MYR opened unchanged at 5.6694 on sterling resiliency despite the broader USD strength. Some cooldown in ECB rate hike expectations may support the GBP although the pre-data sentiment (US CPI and UK GDP) may limit the intraday movements for now. Premised on these, we expect GBP/MYR to trade at circa 5.6700 awaiting firmer directions from the US CPI first.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6330	5.6545	5.6740	5.6754	5.6931

AUD/MYR



AUD/MYR Neutral to Slightly Bullish

AUD/MYR opened 0.1% higher at 2.9904. Following the extended recovery of AUD/USD overnight. AUD/USD paid no heed to the improvement of Australia's Westpac Consumer Sentiment. We expect the pre-US CPI risk aversion to cap on further gain in AUD/USD, with resistance residing at 0.7170. This should keep AUD/MYR at 2.9900-3.0100 in the short term.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9604	2.9758	2.9899	3.0000	3.0080

Source: Bloomberg, HLBB Global Markets Research

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