

10 March 2022

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened 0.26% lower at 4.1750. The pair is expected to trade near recent levels despite the overnight selloff in the USD and the anticipation for US CPI data tonight may still keep the pair within a tight range. The MYR may stay relatively resilient, against a backdrop of positive economic outlook especially after the Prime Minister announced yesterday the reopening of the Malaysian border on 1 April.

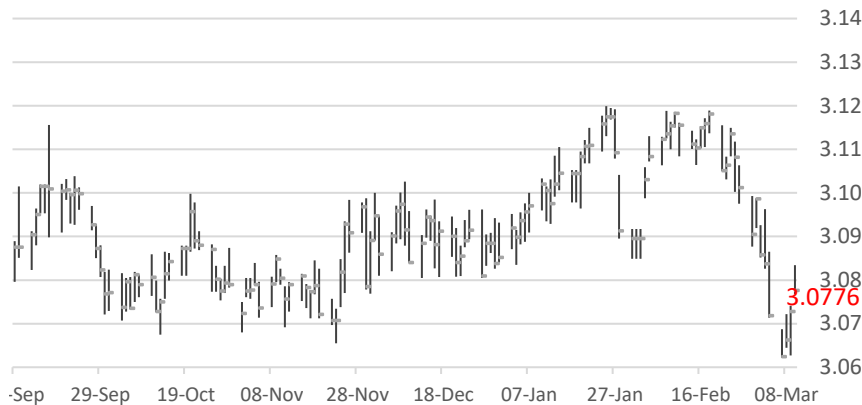
1-Month Outlook – MYR Neutral

We expect the MYR to be relatively resilient in the medium term, taking into account further economic recovery as the government targets to reopen the Malaysian border on 1 April. Recent rally in global commodity 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 could potentially derail the recovery and policy normalization path.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1655	4.1730	4.1845	4.1875	4.1960

MYR Crosses

SGD/MYR



SGD/MYR Neutral to Slightly Bullish

SGD/MYR opened 0.34% higher at 3.0832 before retreating to below 3.0800. SGD/MYR is approaching 3.0800, aided by the stronger SGD and flat MYR performance. We turn neutral to slightly bullish on the pair as it attempts to regain 3.0800 levels, but US CPI-related caution and USD rebound may prevent a large up moves. The Russia-Ukraine crisis remains a major driver but seems to be taking a backseat for now.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.0670	3.0750	3.0776	3.0800	3.0854

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.34% higher at 5.5192, in reaction to the stronger sterling performance in the previous session. We remain neutral on GBP/MYR amid some return in USD strength this morning as the market now shifts the focus to the US CPI data and the ECB meeting while monitoring Ukraine related headlines. The MYR is likely to stay resilient in the short term while the sterling is still exposed to the geopolitical crisis.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4732	5.5000	5.5057	5.5300	5.5547

AUD/MYR



AUD/MYR Bearish

AUD/MYR opened 0.09% lower at 3.0627 and weakened further to below 3.0600 currently. Some rebound in the greenback this morning and the recent reversal in crude oil prices weighed on the AUD. We are bearish on AUD/MYR today, as it moves in line with the weaker AUD/USD today when AUD sellers take advantage of the cautious sentiment ahead of the US CPI data.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0100	3.0293	3.0538	3.0715	3.0950

Source: Bloomberg, HLBB Global Markets Research

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