

11 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 4.1835, inching up towards 4.1885 amid mixed USD performances. Mixed USD reactions towards US CPI data indicates that the pair may continue to see sideways trading with resistance capped at 4.1920 ahead of Malaysia's 4Q GDP report at 12pm. A better than expected reading may offer further support to the local currency, potentially lifting the pair upwards to 4.1900-4.2000 range.

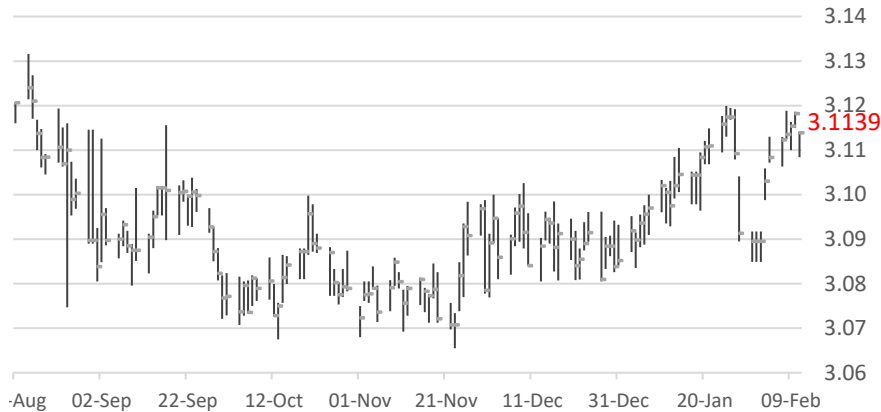
1-Month Outlook – MYR Neutral

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	4.1885	4.1920	4.2070

MYR Crosses

SGD/MYR



SGD/MYR Neutral

SGD/MYR opened 0.3% lower at 3.1088 before recovering back above 3.1100. The recent failure to breach 3.1200 sent the pair down to more familiar levels of circa 3.1130 with immediate resistance now at 3.1150. RSI indicators suggest some retreat in bullish momentum, rendering the outlook neutral as the market eyes Malaysia's GDP report.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.1100	3.1130	3.1139	3.1150	3.1200

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened little changed at 5.6681 despite the modest rise in the sterling overnight. GBP/USD awaits guidance from the UK 4Q GDP report due in the afternoon. The cautious sentiment is thus likely to keep GBP/MYR anchored within 5.6600-5.6800. A positive surprise in UK growth may reaffirm more BOE rate hikes, sending GBP/USD above 1.3600 and GBP/MYR towards 5.7000.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6330	5.6545	5.6727	5.6800	5.7000

AUD/MYR



AUD/MYR Bearish

AUD/MYR opened 0.4% lower at 2.9959, in line with the weaker AUD/USD in the prior session. AUD/USD is now at risk of further down moves after RBA Governor Lowe signals the unlikelihood of an impending rate hike, suggesting the Fed-RBA deviation may weigh on the aussie dollar. AUD/MYR may fall below 2.9900 with support at 2.9767.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9767	2.9900	2.9929	3.0100	3.0250

Source: Bloomberg, HLBB Global Markets Research

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