

14 March 2022

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened 0.01% higher at 4.1960. We continue to maintain a neutral view on USD/MYR, eyeing a range of 4.17-4.21 as the USD is expected to remain firm underpinned by haven demand as the Ukrainian crisis continues to unfold with the latest round of high-level cease fire talk proving futile. Malaysia will see the release of exports data for the month of February this Friday and this will likely have little influence over the MYR trajectory.

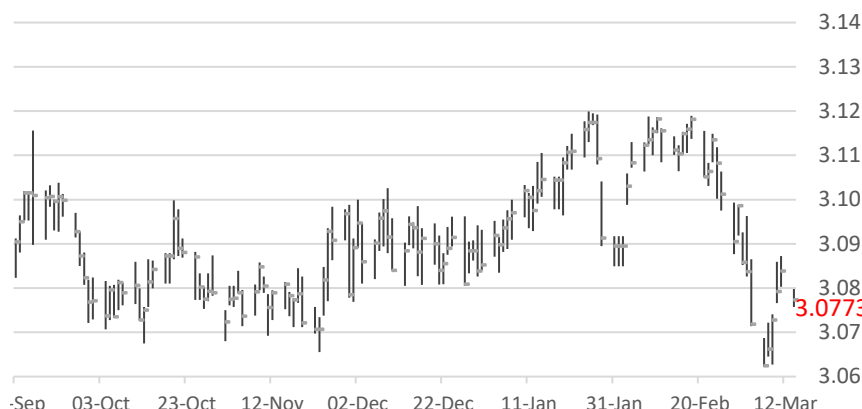
1-Month Outlook – MYR Neutral

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 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	4.1830	4.1900	4.1985	4.2000	4.2075

MYR Crosses

SGD/MYR



SGD/MYR Bearish

SGD/MYR opened 0.16% lower at 3.0788 and is seen hovering within 3.0770-3.0780 this morning. We are bearish on the SGD/MYR as the SGD is weakening alongside most Asian currencies against the USD and takes into account the continuously resilient MYR. Risk sentiment remains biased towards the downside; the Russia-Ukraine crisis remains a major driver for the pair.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.0677	3.0740	3.0773	3.0850	3.0900

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.05% lower at 5.4751. The UK's monthly indicators released last Friday showed that the UK economy was broadly unaffected by the Omicron variant despite some setback in the services sector. While remaining exposed to the war in Ukraine, the GBP market is expected to be sidelined by this Thursday's Fed and BOE rate hikes. Tomorrow's UK job data are also on the watch list.

To	S2	S1	Indicative	R1	R2
GBP/MYR	5.4500	5.4650	5.4775	5.4930	5.5300

AUD/MYR



AUD/MYR Bearish

AUD/MYR opened 0.24% lower at 3.0613. We are bearish on AUD/MYR as commodity currencies underperformed this morning, relating with geopolitical factors. China's lockdown of Shenzhen city may also contribute to AUD weakness, as the market assesses the short-term economic impact of restricting the movements of 17.5 mil residents of the Chinese tech hub.

To	S2	S1	Indicative	R1	R2
AUD/MYR	3.0280	3.0400	3.0556	3.0736	3.0900

Source: Bloomberg, HLBB Global Markets Research

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