

15 March 2022

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Bearish

USD/MYR opened unchanged at 4.2060. USD/MYR edged higher this morning, extending the gain from the previous session; We turned bullish on the pair today as the falling oil prices, pre-FOMC jittery and heightening Russia-Ukraine tensions collectively pose upside risk to our weekly range of 4.17-4.21; this is generally in line with our view that the USD will remain firmly underpinned by haven demand this week as the Ukrainian crisis continues to unfold. Once hitting 4.2100, the pair may face the next resistance of 4.2175 but is more likely to stabilise near 4.2100 amid cautious sentiment.

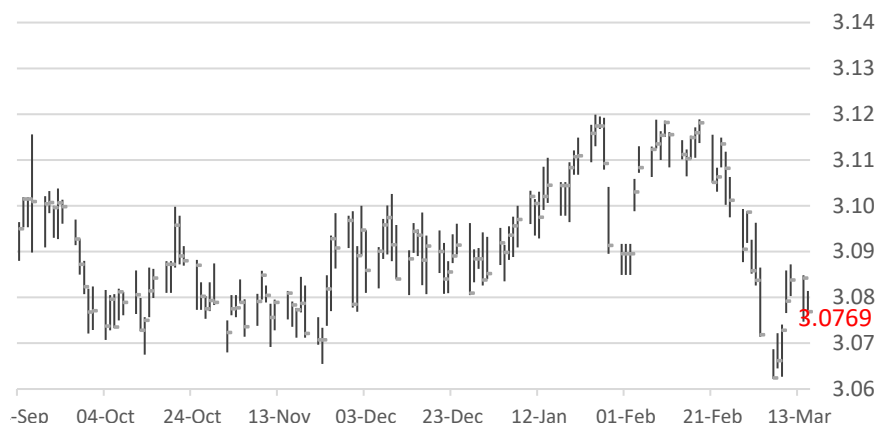
1-Month Outlook – MYR Neutral

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	4.1960	4.2090	4.2100	4.2175

MYR Crosses

SGD/MYR



SGD/MYR Neutral

SGD/MYR opened 0.16% lower at 3.0788. We are neutral on the SGD/MYR given the concurrent weakness in both SGD and MYR against the USD; risk aversion ahead of the FOMC meeting alongside fear of a Chinese growth crunch are expected to weigh on emerging currencies in the short-term, unless positive development emerged on the Russia-Ukraine front.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.0677	3.0740	3.0769	3.0850	3.0900

GBP/MYR

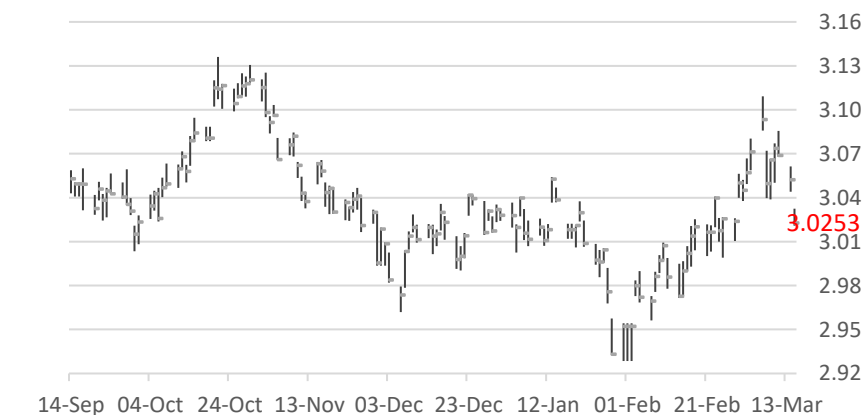


GBP/MYR Neutral

GBP/MYR opened 0.32% lower at 5.4724, in line with the weaker GBP/USD overnight. We continue to see sideways trading for GBP/MYR today, taking into account the stronger USD and the anticipation for today's UK job data and also the BOE's MPC meeting on Thursday.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4500	5.4650	5.4731	5.4930	5.5300

AUD/MYR



AUD/MYR Bearish

AUD/MYR opened 0.77% lower at 3.0286 as AUD retreated further alongside other commodity currencies and oil prices. China's better-than-expected retail sales, fixed investment and IPI data may offer some respites for the pair today but the Shenzhen lockdown remains a bane for the AUD market in the short term. Investors also appear to pay little heed to the RBA's meeting minutes today which reaffirmed that it won't hike rates until inflation is sustainable within its target range.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9900	3.0100	3.0253	3.0405	3.0518

Source: Bloomberg, HLBB Global Markets Research

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