

17 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 4.1825 and stays within the familiar range of 4.1830-4.1850; we continue to see the broadly weaker USD being supportive of the local currency, and the pair is expected to be capped within a tight range as cautious sentiment prevails in the market.

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	4.1760	4.1800	4.1835	4.1950	4.2000

MYR Crosses

SGD/MYR



SGD/MYR Neutral to Slightly Bullish

SGD/MYR opened little changed at 3.1156 and picked up slightly higher in response to the upwardly revised Singapore's 4Q21 GDP. We maintain the neutral to slightly bullish view on SGD/MYR after the pair breached 3.1150, expecting support from risk-on flow related to the upbeat GDP reading and easing geopolitical tensions.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.1080	3.1125	3.1163	3.1200	3.1230

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.1% higher at 5.6837; this followed a higher sterling overnight as the UK 30Y-high inflation (+5.5% y/y) boosted the case for another BOE rate hike next month amid the loss in safe currency appetites. We expect upsides to be capped at 5.6900 after the recent climb, on lingering uncertainties surrounding Russia-West tensions.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6600	5.6717	5.6848	5.6900	5.7020

AUD/MYR



AUD/MYR Bullish

AUD/MYR opened 0.3% higher at 3.0099 as the stronger AUD and NZD were backed by risk-on flow. AUD/USD advanced further this morning to 0.7210 as the market digests the mixed Australia's job report that showed a decline in full-time jobs. AUD/MYR is likely to remain supported in the short term, in the absence of negative Russia-related news, aiming to break 3.0200 today, with resistance at 3.0250

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9870	3.0000	3.0147	3.0250	3.0330

Source: Bloomberg, HLBB Global Markets Research

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