17 March 2022

## Global Markets Research

## Mid-day Currency Outlook

**USD/MYR**


*Source: Bloomberg, HLBB Global Markets Research*

**Intraday Thoughts – MYR Bullish**

USD/MYR opened 0.13% lower at 4.1925, extending decline to 4.1835 as of writing. This came as the MYR tracks the broad-based strengthening of most currencies amid a renewed USD weakness spurred by risk-on sentiment. The next level support resides at 4.1830 before facing 4.1750, in line with our weekly range of 4.1700-4.2200.

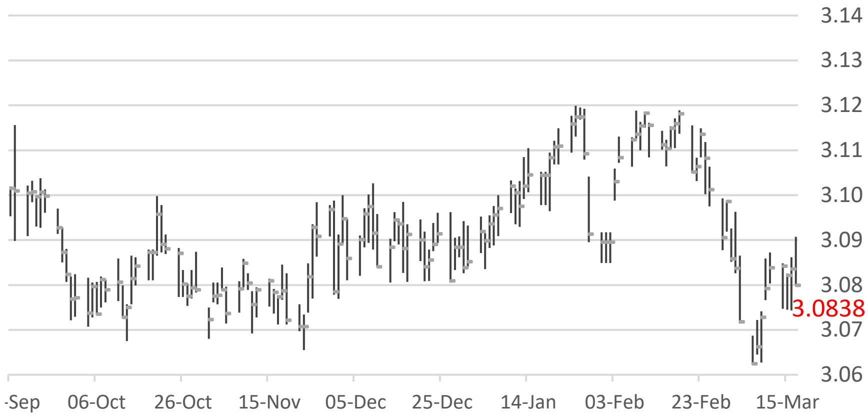
**1-Month Outlook – MYR Neutral**

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 | 4.1750 | 4.1830 | 4.1875 | 4.1925 | 4.2000 |

## MYR Crosses

### SGD/MYR




**SGD/MYR Neutral**

SGD/MYR opened 0.23% higher at 3.0907 but retreated to 3.0800 levels thanks to stronger MYR. Singapore's February NODX growth came in weaker than expected this morning at 9.5% y/y. We expect the cross to continue trading near recent levels, within 3.0800-3.0900 as the concurrent strength of both currency components amid the weak USD environment is likely to limit movements.

| To | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| SGD/MYR | 3.0677 | 3.0740 | 3.0838 | 3.0900 | 3.0950 |

### GBP/MYR


**GBP/MYR Neutral**

GBP/MYR opened 0.63% higher at 5.5162 as the sterling moved higher alongside the other major currencies overnight. GBP/MYR has given up some gains and now trades slightly above 5.5000. The market now shifts the focus to the BOE MPC meeting this evening when the central bank is expected to lift the bank rate. This should keep the GBP/MYR within a tight range of 5.4950-5.5200 before the decision.

| | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| GBP/MYR | 5.4650 | 5.4930 | 5.5085 | 5.5248 | 5.5500 |

### AUD/MYR


**AUD/MYR Bullish**

AUD/MYR opened 0.81% higher at 3.0597 after the AUD surged amid USD weakness, spurred by renewed risk appetites. We are bullish on AUD/MYR as concerns over the localized lockdown in China were offset temporily by China's promise for more stimulus while the upbeat Australian job data this morning also offered an added boost to the Aussie dollar, pushing AUD/MYR back above 3.0600.

| | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| AUD/MYR | 3.0258 | 3.0405 | 3.0617 | 3.0630 | 3.0880 |

*Source: Bloomberg, HLBB Global Markets Research*

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