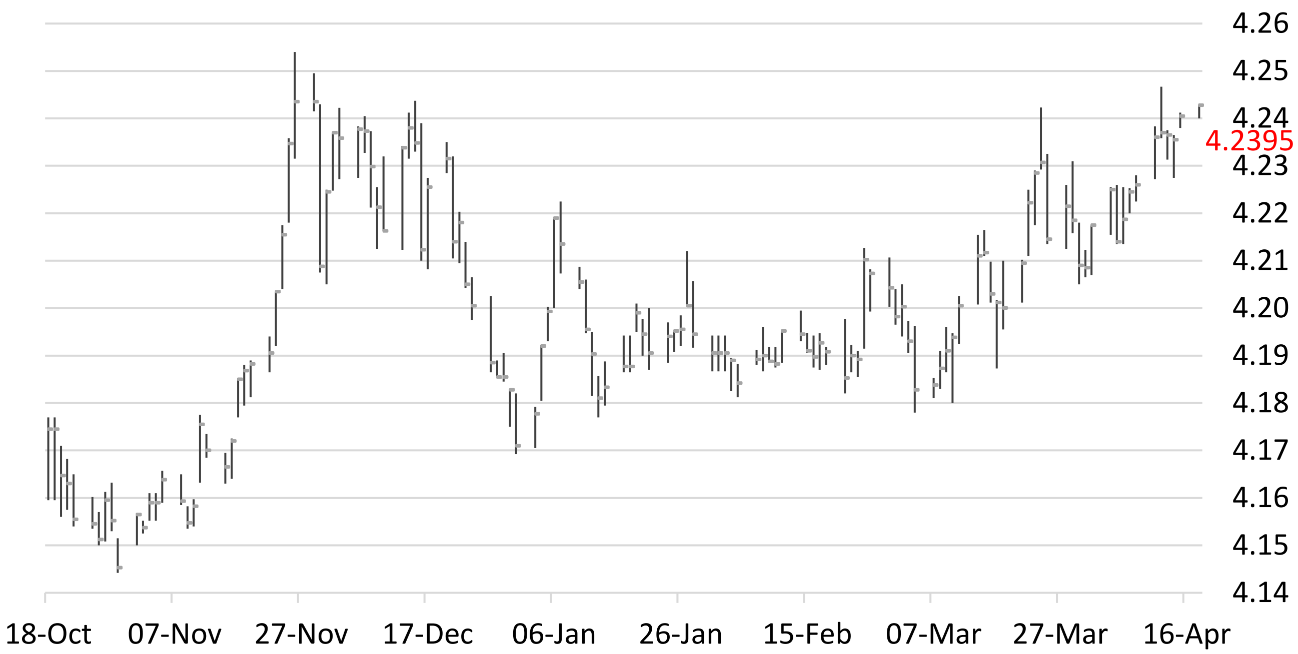
18 April 2022

# Global Markets Research

## Mid-day Currency Outlook

**USD/MYR**




*Source: Bloomberg, HLBB Global Markets Research*

**Intraday Thoughts – MYR Neutral to Slightly Bearish**

USD/MYR opened 0.01% lower at 4.2350. We are Neutral-to-Slightly Bullish on USD/MYR this week with a weekly forecast range of 4.21-4.25 as the hawkish Fed expectations may reinforce the prevailing bullish USD sentiments. Having said that, the rebound in oil prices and the extended optimism for domestic economic rebound may still offer some support to the local unit, possibly still anchoring the pair near 4.2300 in the short term.

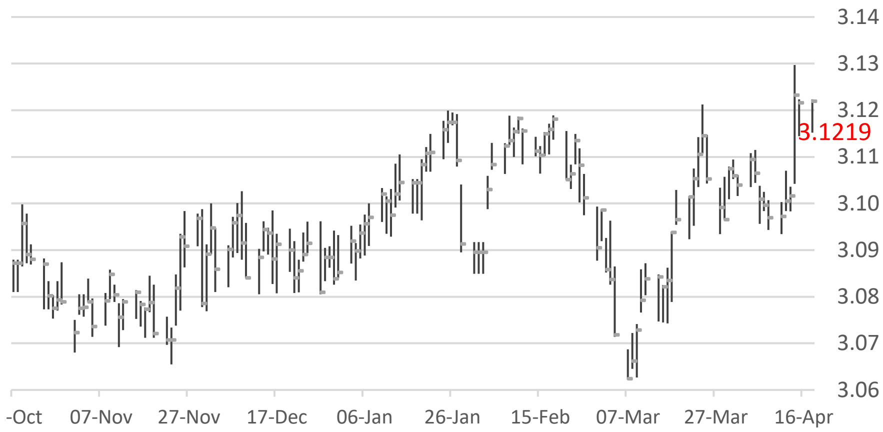
**1-Month Outlook – MYR Neutral**

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 coupled with the soon to be implemented 25% increase in minimum wage to RM1,500 effective 1-May 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 | 4.2075 | 4.2200 | 4.2395 | 4.2415 | 4.2500 |

## MYR Crosses

### SGD/MYR




**SGD/MYR Neutral to Slightly Bullish**

SGD/MYR opened 0.10% lower at 3.1186. We are neutral to slightly bullish on the cross, expecting SGD/MYR to trade at 3.1150-3.1250 after Singapore's March NODX growth came in better than expected at 7.7%, a positive sign for its external outlook. This is also premised on the weaker bias for MYR compared to the SGD against a backdrop of USD strength.

| To | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| SGD/MYR | 3.0985 | 3.1100 | 3.1219 | 3.1250 | 3.1300 |

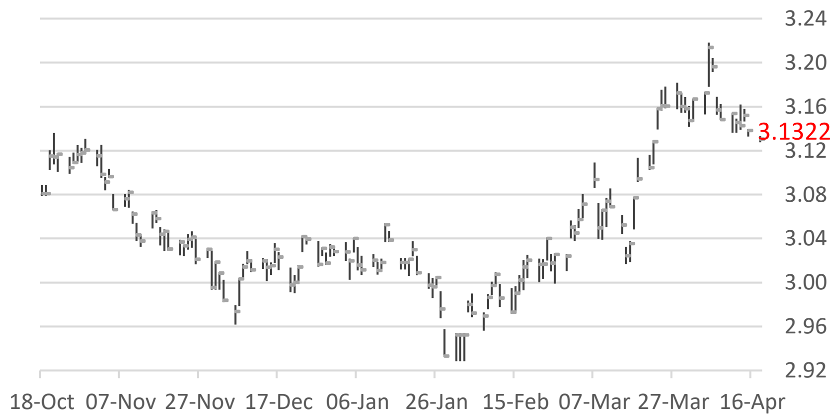
### GBP/MYR


**GBP/MYR Neutral**

GBP/MYR opened 0.05% lower at 5.5303. We are neutral on GBP/MYR today, expecting the cross to range-bound near 5.5300, with upsides capped at 5.5500. We continue to foresee limited gains in GBP/MYR on the UK's dimmer growth outlook given that the market has already priced in a 25bp rate hike by the BOE in the next MPC meeting on 5th May.

| | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| GBP/MYR | 5.4750 | 5.5000 | 5.5332 | 5.5500 | 5.5900 |

### AUD/MYR




**AUD/MYR Bearish**

AUD/MYR opened 0.16% lower at 3.1328 as AUD/USD tumbled below 0.7400 in the previous session amidst continuous USD strength. We expect the bearish sentiment to remain in control over the aussie dollar but the soon-to-be released China's GDP data and monthly indicators may set the tone for today. The data may confirm the weakening bias for China's outlook and weigh on AUD.

| | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| AUD/MYR | 3.1000 | 3.1175 | 3.1322 | 3.1416 | 3.1500 |

*Source: Bloomberg, HLBB Global Markets Research*

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