

25 February 2022

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to Slightly Bullish

USD/MYR opened 0.10% lower at 4.2015 this morning and extended its downward move to 4.1980 at time of writing. USD/MYR broke the 4.20 key psychological level on Thursday, amid irk aversion amid Russia's attack on Ukraine. Technicals have turned slightly bullish targeting 4.2080 and probably 4.2130 next but upside likely capped at the 4.22 levels. We expect slight bullishness to prevail for USD/MYR today amid lingering geopolitical uncertainties and cautiousness ahead of the weekend, but further up move will likely be limited following the lower opening taking cue from some stabilization in risk sentiments and narrowing USD strength in late US trading overnight.

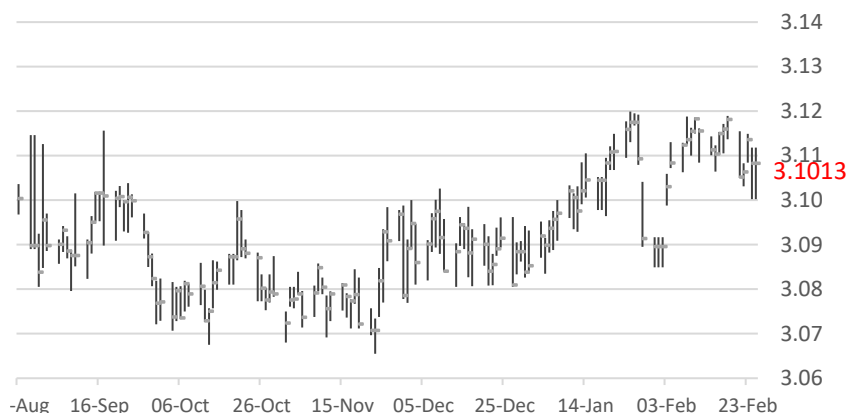
1-Month Outlook – MYR Neutral

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. Recent rally in global oil 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 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	4.1850	4.1960	4.1980	4.2130	4.2200

MYR Crosses

SGD/MYR



SGD/MYR Slightly Bearish

SGD/MYR opened 0.17% lower at 3.1028 and continued to hover around this level at time of writing. Daily outlook on SGD/MYR is slightly bearish in anticipation of a more resilient MYR vis-à-vis SGD on the back of oil and the USD strengthen. USD/SGD outlook is slightly bullish likely staying above the 1.35 handle, resulting in a 3.09-3.11 range for SGD/MYR. Singapore industrial production is due for release at noon today.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.0963	3.1000	3.1013	3.1078	3.1130

GBP/MYR



GBP/MYR Bearish

GBP/MYR opened 0.56% lower at 5.6234 and extended its decline to 5.6198. The sterling plunged 1.0% overnight and was the worst performing G10 currency. We remain bearish on GBP/MYR today following the lower opening and lack of catalysts to drive the pair higher. A break of 1.35 has increased bearishness in the sterling. Support lies at 1.32 now for GBP/USD and 5.60 for GBP/MYR.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5798	5.6030	5.6198	5.6336	5.6686

AUD/MYR



AUD/MYR Bearish

AUD/MYR opened 0.20% lower at 3.0114 and weakened further to 3.0073 at time of writing as overall market jitteries kept Aussie under pressure. We are bearish on AUD/MYR following the lower opening and prevailing risk aversion in the market. This should keep AUD/MYR within a range of 3.00-3.02 for now.

	S2	S1	Indicative	R1	R2
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AUD/MYR	2.9951	3.0044	3.0073	3.0226	3.0330
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Source: Bloomberg, HLBB Global Markets Research

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