

25 April 2022

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Bearish

USD/MYR opened 0.23% higher at 4.3350. MYR weakened further this morning pushing USD/MYR past 4.3400 level. The next level of resistance to watch is 4.3490 although further upside may be capped due to sudden rise and overbought condition.

1-Month Outlook – MYR Neutral

We expect the MYR to recover lost ground in the medium term; supported by 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	4.2870	4.2995	4.3420	4.3490	4.3575

MYR Crosses

SGD/MYR



SGD/MYR Neutral

SGD/MYR opened 0.27% lower at 3.1565 but is expected to rangebound within 3.1600-3.1650 following the weaker MYR against USD today. In the short term, MYR remains biased towards the downside relative to SGD despite oil price advantage, due to Malaysia's policy divergence with the US and also weaker yuan.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.1535	3.1590	3.1625	3.1670	3.1725

GBP/MYR



GBP/MYR Slightly Bullish

GBP/MYR opened 0.42% lower at 5.5483 after the sterling's weakness against the dollar the past 2 days. Although GBP/MYR is trading lower than yesterday's close, technicals may push the Sterling higher with PMI data readings out of the equation. We foresee some limited gains in GBP/MYR relative to the other crosses 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	5.5500	5.5565	5.5615	5.5720	5.5810

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.98% lower at 3.1280 but is seen to drift weaker to 3.1200 levels despite improvement in PMI manufacturing and services last Friday. We are neutral on the cross now due to concurrent weakness in both MYR and AUD given that the USD bullish sentiment remains strong. Australia's upcoming CPI data for 1Q22 due for a Wednesday release will likely be a key influence.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1130	3.1190	3.1248	3.1320	3.1470

Source: Bloomberg, HLBB Global Markets Research

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