

28 February 2022

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened 0.06% higher at 4.2048 this morning and extended its downward move to just above 4.20 at time of writing. The pair continued to stay above the 4.20 handle and remains technically bullish, likely targeting 4.2080 next but upside likely capped at 4.22. We expect slight bullishness to prevail for USD/MYR in the week ahead amid lingering geopolitical tensions, eyeing a range of 4.18-4.22. BNM is expected to extend its rate pause and neutral policy stance on 3-March given prevailing uncertainties.

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	4.2003	4.2130	4.2200

MYR Crosses

SGD/MYR



SGD/MYR Slightly Bearish

SGD/MYR opened 0.29% lower at 3.0919 and continued to hover around this level at time of writing. Daily outlook on SGD/MYR is slightly bearish in anticipation of a firmer MYR. Maintain a range of 3.09-3.11 range for SGD/MYR with Russia-Ukraine headlines as the main driver.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.0726	3.0863	3.0923	3.1078	3.1130

GBP/MYR



GBP/MYR Bearish

GBP/MYR opened 0.06% higher at 5.6193 and traded sideways since. GBP/USD posted only modest recovery of 0.2% vs other G10s on Friday as the sterling remained pressured by a less hawkish BOE and prevailing risk off in the markets. We remain bearish on GBP/MYR today but expecting more muted selloff. Support for GBP/USD and GBP/MYR lies at 1.32 and 5.60 respectively for now.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5798	5.6030	5.6182	5.6336	5.6686

AUD/MYR



AUD/MYR Slightly Bearish

AUD/MYR opened 0.19% lower at 3.0254 and weakened further to 3.0202 at time of writing. The pair remains slightly bearish amid prevailing geopolitical uncertainties but we expect more muted losses with 3.01 serving as a key support for now. The Aussie made an impressive recovery recapturing 0.72 last Friday, potentially keeping AUD/MYR above 3.02. RBA policy decision followed by BNM OPR decision will be key watch this week.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0044	3.0100	3.0202	3.0330	3.0400

Source: Bloomberg, HLBB Global Markets Research

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