29 March 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 marginally lower by 0.02% at 4.2155 but has since climbed higher to 4.2253 at time of writing. USD/MYR remains bullish, but positive momentum is softening, hence likely keeping the pair within the big figures 4.20-4.22 for now. Markets will be scrutinizing US job reports this week and the release of fresh macro forecasts and economic and monetary reviews by BNM on 30-March.

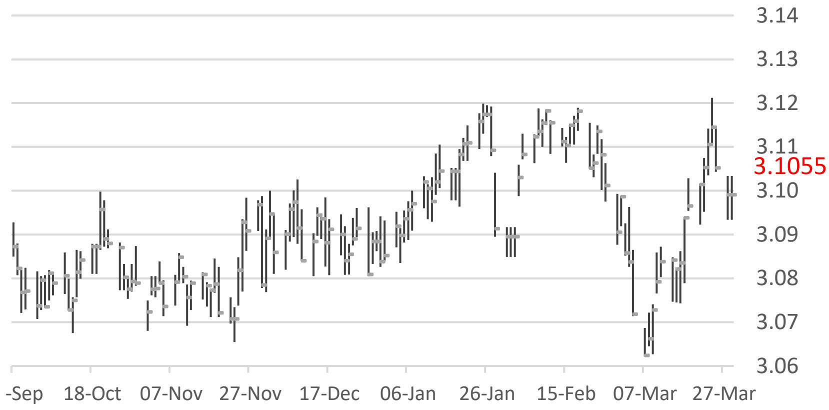
**1-Month Outlook – MYR Neutral**

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 | 4.2000 | 4.2060 | 4.2253 | 4.2260 | 4.2300 |

## MYR Crosses

### SGD/MYR




**SGD/MYR Neutral**

SGD/MYR opened little changed at 3.0990 but has since trended higher. We are neutral on SGD/MYR today amid further retreat in positive momentum technically and expectations for slight weaknesses in both MYR and SGD as the USD stays firm. Over the next month, SGD outlook will however likely be supported by further relaxation in Covid restrictions while surging inflation supports the case for a MAS tightening in mid-April.

| To | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| SGD/MYR | 3.0900 | 3.0947 | 3.1055 | 3.1078 | 3.1121 |

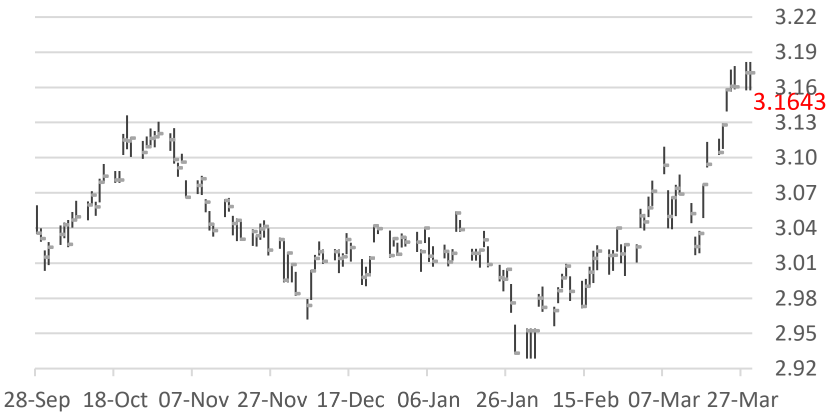
### GBP/MYR


**GBP/MYR Bearish**

GBP/MYR opened 0.49% lower at 5.5240 taking cue from the overnight GBP weaknesses and was seen paring some losses at time of writing. Daily outlook for GBP/MYR is bearish.. The sterling outlook will likely remain suppressed by dimmer growth outlook in the UK whilst higher inflation continues to spur BOE hikes, whilst the MYR is expected to take on a more neutral stance today.

| | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| GBP/MYR | 5.4886 | 5.5080 | 5.5338 | 5.5445 | 5.5595 |

### AUD/MYR




**AUD/MYR Slightly Bearish**

AUD/MYR opened 0.33% lower at 3.1617 and has been seeing some volatile moves since. Increased downside risks to growth especially from China, coupeld with softer commodity prices are expected to keep a lid on AUD. AUD/MYR upsides are capped at 3.1800 as the pair remains near slight overbought position, pointing to imminent pullback before trending higher again ahead of the RBA meeting on 5-April.

| | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| AUD/MYR | 3.1260 | 3.1460 | 3.1643 | 3.1800 | 3.1900 |

*Source: Bloomberg, HLBB Global Markets Research*

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