

29 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 0.03% lower at 4.3632. MYR slipped this morning keeping the pair pivoted near the 4.3600 handle for now. Technicals are still showing mixed signals with stochastics calling a buy whilst other signs are slowly turning neutral. The pair is expected to range slight sideways-to-higher as it continues to be influenced by the hawkish Fed rate hike expectations in the upcoming FOMC meeting next week. Further strong upside may nevertheless be capped for now following the recent steep rise.

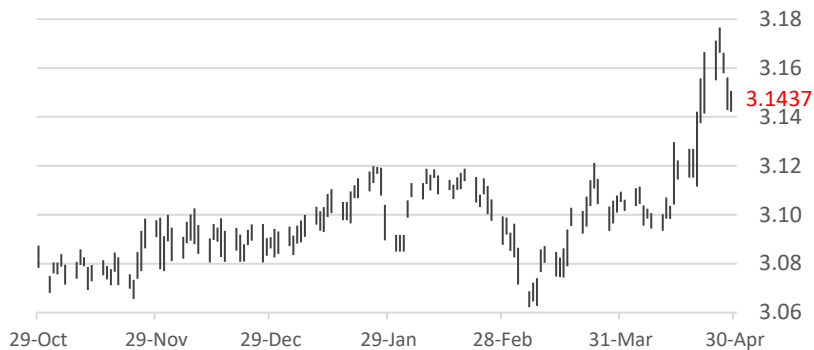
#### 1-Month Outlook – MYR Neutral

We expect the MYR to recover some lost ground in the medium term; supported by further economic recovery as the government reopened the Malaysian border on 1st April. Recent rally in global commodity prices coupled with the soon to be implemented increase in minimum wage to RM1,500 effective 1<sup>st</sup> May should provide an added impetus along with the advantage of elevated oil prices. We have taken into account the broader USD which is expected to stay firm supported by safe haven demand, Fed rate hike expectations and economic outperformance in the US vis-à-vis other majors. On the flipside, the Russia-Ukraine crisis could potentially derail recovery and policy normalization path.

|         | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| USD/MYR | 4.3440 | 4.3480 | 4.3610     | 4.3625 | 4.3655 |

## MYR Crosses

### SGD/MYR



### SGD/MYR slightly Bearish

SGD/MYR opened 0.07% lower at 3.1476 and some technicals are slowly pointing to neutral bias now. Nevertheless we forecast weakness in SGD in the for the immediate period. In the medium-term, MYR may still be biased towards the weaker side relative to SGD following the earlier MAS tightening of monetary policy which might have a stronger impact compared to Malaysia's oil price advantage.

| To      | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| SGD/MYR | 3.1365 | 3.1400 | 3.1437     | 3.1490 | 3.1545 |

### GBP/MYR

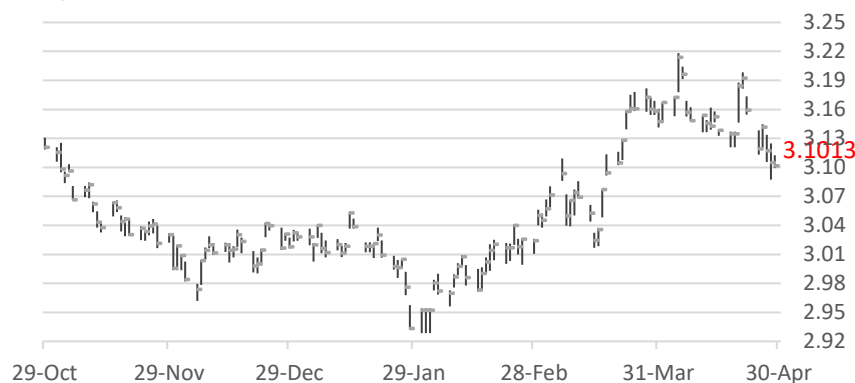


### GBP/MYR Bearish

GBP/MYR opened 0.67% lower at 5.4397. GBP/MYR is trading lower than yesterday's close, with MACD weak and stochastics still on overbought position. We foresee limited gains in GBP/MYR relative to the other crosses on lack of meaningful data for the remainder of this week despite the pencilling of a 25bps rate hike by the BOE in the next MPC meeting on 5<sup>th</sup> May.

|         | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| GBP/MYR | 5.4220 | 5.4280 | 5.4353     | 5.4445 | 5.4550 |

### AUD/MYR



### AUD/MYR slightly bullish

AUD/MYR opened 0.06% lower at 3.1028 but is seen to reverse and move higher to 3.11 levels as traders note fresh buy signals on the cross now Elsewhere, in the medium-term, China's Covid outbreak is an event that will have bearing on Australia's exports and subsequently the AUD.

|         | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| AUD/MYR | 3.0920 | 3.0995 | 3.1013     | 3.1080 | 3.1110 |

Source: Bloomberg, HLBB Global Markets Research

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