

30 June 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 0.02% higher at 4.4002 and ticked up to 4.4035 as of writing. The ringgit was relatively resilient compared to its peers despite the widespread risk aversion. Cautious sentiment is likely to leave the pair supported above 4.4000 ahead of month-end closing and next week’s BNM MPC meeting.

1-Month Outlook – MYR Neutral

We expect the MYR to recover some lost ground in the medium term; supported by the further economic recovery as the government reopened the Malaysian border on 1st April. Recent rally in global commodity prices coupled with increase in minimum wage to RM1,500 effective 1st May should provide an added impetus. Firmer growth outlook has resulted in a 25bps increase in the OPR by BNM at the May MPC meeting and we expect another 50-75bps increase for the remainder of this year. We have taken into account the broader USD which is supported by the larger than previously expected rate hikes by the Fed. On the flipside, the Russia-Ukraine crisis and China’s still strict Covid policy despite recent easing, could potentially derail recovery and policy normalization path.

	S2	S1	Indicative	R1	R2
USD/MYR	4.3800	4.3900	4.4035	4.4075	4.4200

MYR Crosses

SGD/MYR

SGD/MYR Slightly Bearish



SGD/MYR opened 0.27% lower at 3.1589, reacting to the overnight decline in SGD against the USD. The downward shift came amidst the strong USD sentiment. SGD/MYR is biased towards the downside amid the relatively resilient ringgit but should remain above 3.1550.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.1450	3.1550	3.1594	3.1750	3.1800

GBP/MYR

GBP/MYR Slightly Bearish



GBP/MYR opened 0.42% lower at 5.3358, in line with the weaker sterling overnight. Outlook is slightly bearish amid the strong USD environment. The Fed's hawkish stance to contain inflation has continued to eclipse that of the BOE. We maintain the view that BOE will take a more measured pace of tightening @25bps, limiting the upsides of GBP relative to the dollar.

To	S2	S1	Indicative	R1	R2
GBP/MYR	5.3000	5.3250	5.3318	5.3740	5.4056

AUD/MYR

AUD/MYR Neutral to Slightly Bearish



AUD/MYR opened 0.22% higher at 3.0256. Investors' preference for safe assets today ahead of 2Q closing dampens the demand for AUD alongside the reversal in oil prices. The stronger than expected Australia's retail sales highlights consumer resilience but was overshadowed by the strong USD sentiment. Downsides are capped at 3.00 as markets are looking towards a 50bp hike in the cash rate next week.

To	S2	S1	Indicative	R1	R2
AUD/MYR	3.0000	3.0135	3.0245	3.0500	3.0650

Source: Bloomberg, HLBB Global Markets Research

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