1 July 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR

Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to Bearish

USD/MYR opened little changed at 4.1525. Amid cautious sentiment and higher demand for safe havens, USD bulls may continue to manifest themselves in the Asian session. USD/MYR is targeting to hit the 4.16-mark although focus is slowly shifting towards next week's BNM MPC decision, which may leave the pair subdued within a familiar range. No change to our weekly range of 4.13-4.18.

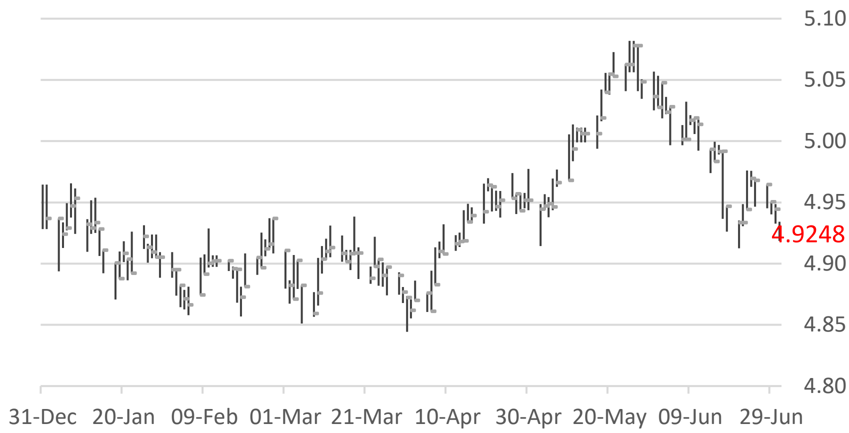
1-Month Outlook – MYR Neutral to Bearish

The MYR medium-term outlook will likely be influenced by USD movements as well as the pandemic development on the local front. In the immediate term, we expect some pressure on MYR amid growth concerns stemming from the nationwide lockdown to contain the elevated infection rates and new virus variants, as well as the Federal Reserve's recent hawkish signals that have prompted the USD's gradual shift towards strength.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1250	4.1400	4.1560	4.1600	4.1700

MYR Crosses

EUR/MY

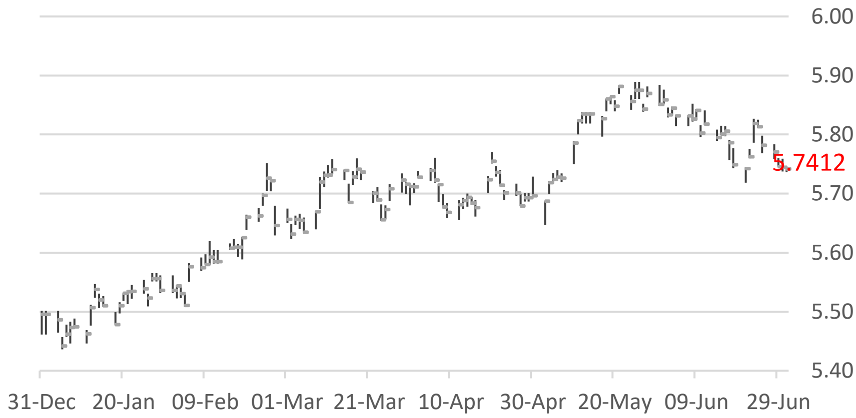


EUR/MYR Neutral to Bearish

EUR/MYR opened 0.3% lower at 4.9191, catching up with weaker EUR/USD overnight. The strong USD sentiment is expected to continue weighing on the EUR today. Eurozone's inflation, both headline and core, eased in June, and markets may shift attention to the PPI data for more signs of cost pressures.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.9000	4.9192	4.9248	4.9637	4.9859

GBP/MYR

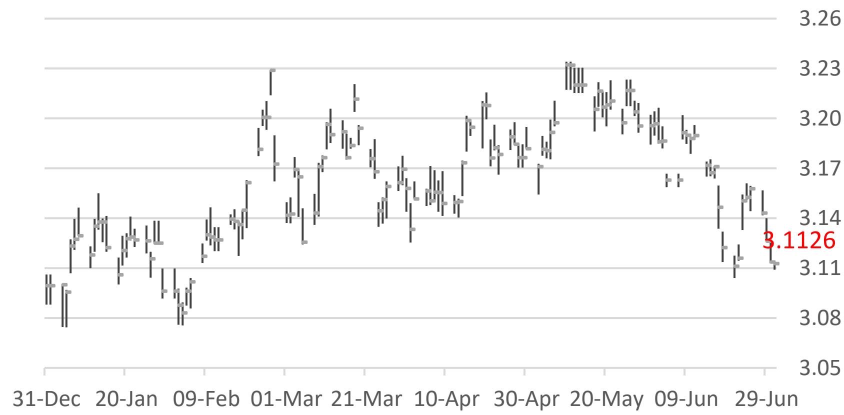


GBP/MYR Neutral to Bearish

GBP/MYR opened 0.1% lower at 5.7374. Apart from the strong USD, GBP may be weighed by the worsening Covid situation in the UK as it reported above 26k new cases yesterday. Sentiment may deteriorate further for the GBP in our view as the country entered a new wave, and it is unlikely that the government will fully reopen the economy on 19 July.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.7180	5.7350	5.7412	5.7725	5.7881

AUD/MYR



AUD/MYR Neutral to Bearish

AUD/MYR opened little changed at 3.1108. Risk aversion and the concerns over the Covid delta variant continued to drag down the AUD. This may persist into today's session as USD bulls dominate the FX market.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0800	3.0970	3.1126	3.1325	3.1481

Source: Bloomberg, HLBB Global Markets Research

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