

2 June 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened little changed at 4.1240. MYR remains resilient as the market may have taken comfort that the latest stimulus package only comprises a small RM5b fiscal injection. We continue to expect USD/MYR to trade on a neutral note today, but revised our weekly range to 4.10- 4.15 this week in view of recent down moves, with 4.1500 remaining a key resistance.

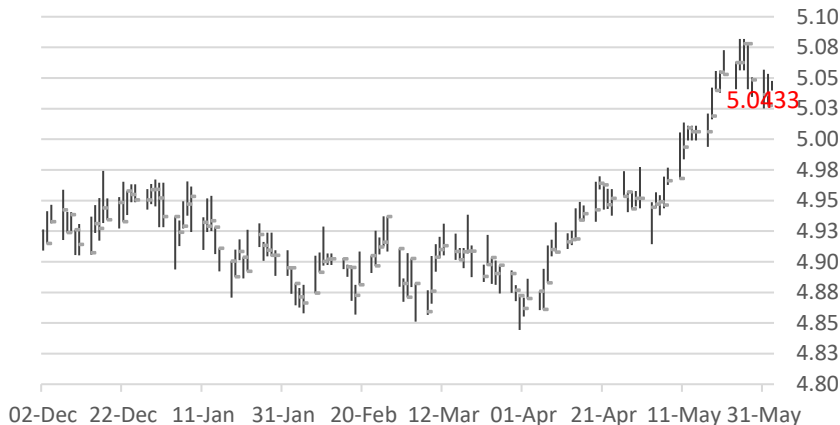
1-Month Outlook – MYR Neutral

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, before stabilizing at a more familiar range of 4.13-4.14.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1000	4.1100	4.1250	4.1500	4.1700

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened 0.1% lower at 5.0416 and continued to range-trade. We turned neutral on EUR for now as market may have priced in the upbeat economic data. Key driver for EUR this week remains the USD itself before focus shifts to next week's ECB meeting.

	S2	S1	Indicative	R1	R2
EUR/MYR	5.0100	5.0258	5.0433	5.0560	5.0800

GBP/MYR



GBP/MYR Neutral to Bearish

GBP/MYR opened 0.3% lower at 5.8414 after GBP/USD fell last night amid profit taking. We are slightly bearish on the pair as the selling pressures may be extended to today's session. The emergence of the new variant in the UK gave rise to concerns that the plan to fully reopen the economy may be derailed.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.8015	5.8400	5.8410	5.8850	5.9000

AUD/MYR



AUD/MYR Neutral to Bullish

AUD/MYR opened 0.1% higher at 3.2006. We turned neutral to bullish on the pair on upbeat Australia's GDP data (+1.8% q/q vs +1.5% expected) and also the surge in oil prices. This should also reaffirm market's view that the RBA may decide to tighten monetary policy next month.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1650	3.1850	3.2044	3.2200	3.2350

Source: Bloomberg, HLBB Global Markets Research

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