

7 May 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened 0.2% lower at 4.1150. Daily outlook is neutral and we continue to expect the pair to trade within 4.10-4.14 next week after BNM’s neutral stance failed to move USD/MYR yesterday as the pair is more dollar driven for now ahead of tonight’s US job report.

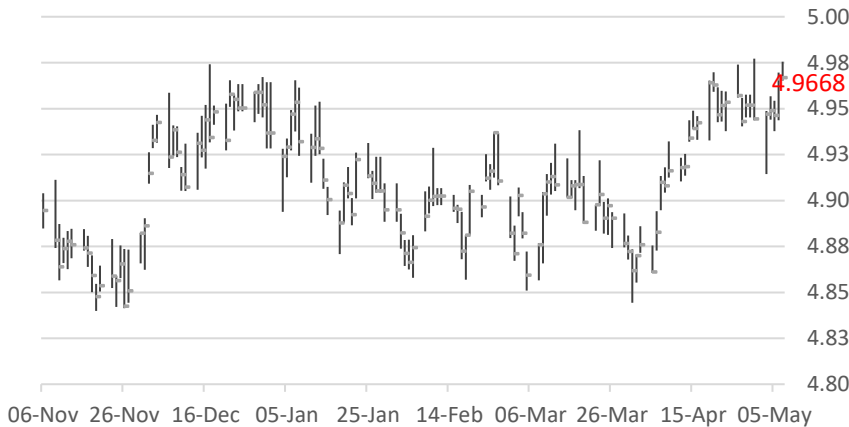
1-Month Outlook – MYR Bearish

No change to our present view of a stronger dollar which is likely to benefit from higher US yields as the economy recovered further in the US. We continue to expect the dollar to strengthen towards 2Q before trending down in 2H of the year and thus a higher USD/MYR in the medium term.

	S2	S1	Indicative	R1	R2
USD/MYR	4.0700	4.1000	4.1155	4.1300	4.1400

MYR Crosses

EUR/MYR

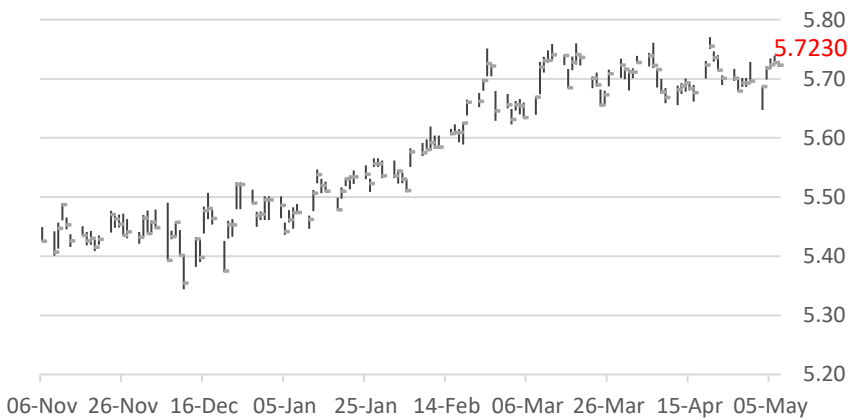


EUR/MYR Neutral to Bullish

EUR/MYR opened 0.3% higher at 4.9738 but failed to sustain above the 4.97. The strong momentum looks to have eased slightly after the sharper than expected move in the prior session following upbeat retail sales data. The pre-NFP job sentiment is likely to keep EUR/USD in check as the European session opens later.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.9280	4.9550	4.9668	4.9770	4.9850

GBP/MYR



GBP/MYR Neutral to Bullish

GBP/MYR opened little changed at 5.7284. GBP weakened against USD last night post-BOE meeting. With BOE out of the way for now, focus turns to US' job report. After this, even as BOE maintained that tightening is still far-off, its strong economic assessment for 2Q onwards may prompt further tightening talks especially after it has decided to slow the asset purchase pace.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6875	5.7088	5.7230	5.7285	5.7400

AUD/MYR



AUD/MYR Neutral to Bullish

AUD/MYR opened 0.6% higher at 3.2099, catching up with stronger AUD/USD. Mixed sentiment amid concerns for crude oil demand may have capped the potential for further upside. We maintain that the pair is dollar driven.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1825	3.1950	3.2011	3.2150	3.2400

Source: Bloomberg, HLBB Global Markets Research

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