

10 June 2021

Global Markets Research

Mid-day Currency Outlook

USD/MY



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened little changed at 4.1180. We continue to expect subdued trading of USD/MYR today within the 4.11-4.1250 range, amid mixed USD performance before the release of US CPI which may set FX market's direction. Downside to USD/MYR is that they may be limited gain as markets have priced in the higher inflation rate and the retreat in treasury yields suggests a tone-down of inflation fear. We still eye a weekly range of 4.10-4.14.

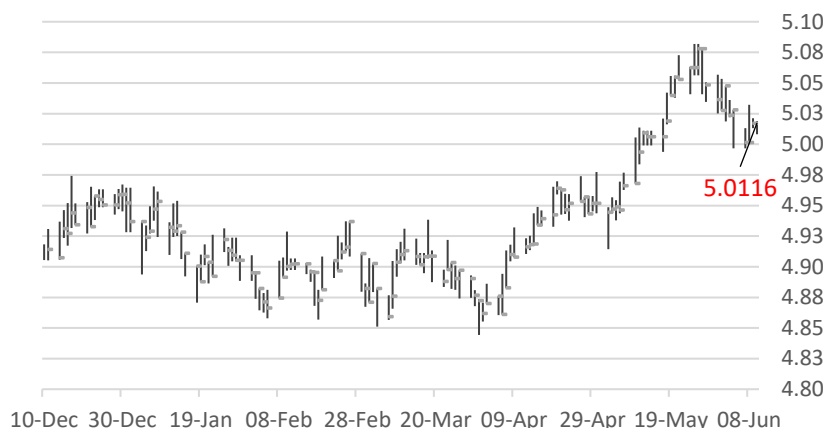
1-Month Outlook – MYR Neutral

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	4.1180	4.1250	4.1400

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened 0.1% lower at 5.0139, hovering at recent levels. We continue to expect the pair to trade on a neutral note today as investors are likely sidelined ahead of US' CPI data and the ECB's monetary policy meeting. Markets are on the lookout for any change in ECB's rhetoric amid improving Eurozone's growth outlook and higher inflation.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.9980	5.0100	5.0116	5.0400	5.0550

GBP/MYR



GBP/MYR Neutral to Bearish

GBP/MYR opened 0.5% lower at 5.8095. We turned neutral to bearish on GBP/MYR as pair is weighed down by renewed worries over UK-EU trade relation after the EU threatened to impose tariffs on the UK. Pair remains vulnerable to a turn in sentiment especially if reopening plan is delayed. This looks increasingly likely as the UK now reported above 7300 cases.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.7750	5.8000	5.8136	5.8530	5.8800

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.2% lower at 3.1822. Locally, markets did not pay heed to news that some restrictions were lifted in Victoria. Pair is expected to stay at circa 3.18 as investors are sidelined by US' CPI data.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1550	3.1700	3.1830	3.2100	3.2300

Source: Bloomberg, HLBB Global Markets Research

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hlbb.hongleong.com.my**DISCLAIMER**

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