

12 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 0.2% lower at 4.1820. We remain neutral-to-bearish on MYR, as we expect the pair to pull back from the RSI overbought level and we judge that recent political concerns have eased and the pair may be more driven by the strength of USD now. 4.20 remains the key psychological resistance and we foresee a weekly range of 4.15-4.20.

**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	4.1700	4.1800	4.1855	4.2000	4.2150

## MYR Crosses

### EUR/MYR



### EUR/MYR Neutral

EUR/MYR opened 0.1% higher at 4.9766. After pulling back from its intraday high, we expect the pair to trade on a more neutral note as market digests Lagarde's talks of changing the forward guidance. The ECB's recent strategy announcement was largely viewed as a net-dovish move as it raised the inflation target and would allow it to overshoot.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.9423	4.9562	4.9713	4.9768	4.9950

### GBP/MYR



### GBP/MYR Neutral to Bullish

GBP/MYR opened 0.9% higher at 5.8260. We are neutral to bullish on the pair. Investors have shrugged off the weaker monthly GDP report, as the UK is expected to fully reopen its economy on 19 July. The futures market also raised its bets on a BOE rate hike in 1H22. Having said that, we still see the UK's rising daily Covid cases (still above 30k) posing a threat to GBP strength.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.7688	5.7854	5.8207	5.8500	5.8815

### AUD/MYR



### AUD/MYR Neutral to Bearish

AUD/MYR opened 0.7% higher at 3.1394, catching up with the stronger AUD/USD last Friday. The failure to hit 0.75 paves way for some downmoves, leading to weaker AUD/MYR. The deteriorating Covid situation in Sydney may also trigger some selling. The employment data is up next in the data docket.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1089	3.1200	3.1298	3.1398	3.1519

Source: Bloomberg, HLBB Global Markets Research

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