

12 August 2021

## Global Markets Research

### Mid-day Currency Outlook

#### USD/MYR



Source: Bloomberg, HLBB Global Markets Research

#### Intraday Thoughts – MYR Neutral

USD/MYR opened 0.13% lower at 4.2345 and climbed higher, trading at 4.2375 at time of writing. Yesterday's sharp move to a close at 4.24 has almost wiped out the negative momentum and strengthened the bulls, but near overbought level suggests some imminent pullback before any move higher again, testing the 4.25 key resistance next. Hence, our neutral outlook for today. We are still expecting a weekly range of 4.21-4.25 as markets await anxiously for the release of 2Q GDP and revised growth outlook.

#### 1-Month Outlook – MYR Neutral

We expect the MYR to regain some lost grounds as higher vaccination rates should help better contain the pandemic situation. This would allow Malaysia to move on to the next phase of its National Recovery Plan and most importantly, allow more economic sectors to reopen and/or operate at higher capacity. We are forecasting USD/MYR to trend back to the 4.20 levels in the months ahead once the situation stabilizes and some forms of calm return, paving the way for more meaningful reopening and recovery in the final quarter of the year. Expectations for some consolidation in the USD would be supportive of the MYR too.

|         | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| USD/MYR | 4.2215 | 4.2300 | 4.2375     | 4.2448 | 4.2500 |

## MYR Crosses

### EUR/MYR



### EUR/MYR Neutral

EUR/MYR opened 0.27% higher at 4.9787 and has since been trading around here. We are neutral on the pair today expecting sideways trading in both the EUR and MYR amid consolidation in the USD. Overall bearishness in the pair still stand, likely heading towards 4.9500 next.

|         | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| EUR/MYR | 4.9369 | 4.9547 | 4.9742     | 4.9840 | 5.0000 |

### GBP/MYR

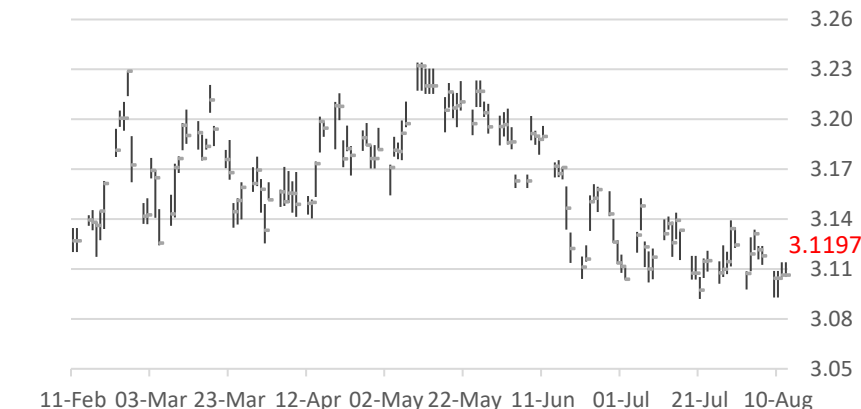


### GBP/MYR Slightly Bullish

GBP/MYR opened 0.43% higher at 5.8794. Daily outlook is neutral to bullish following the higher opening even as both the sterling and MYR are expected to trade in a rangebound mode today. The UK's 2Q GDP report due today will be a key watch. Markets are anticipating a strong reading as the UK economy reopened partially in 2Q.

|         | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| GBP/MYR | 5.8341 | 5.8470 | 5.8744     | 5.8881 | 5.9027 |

### AUD/MYR



### AUD/MYR Slightly Bullish

AUD/MYR opened 0.61% higher at 3.1251 tracking overnight gain in the Aussie, but retreated somewhat to 3.1197 at time of writing. Bullishness in AUD/MYR will likely be muted despite the higher opening, taking cue from some weaknesses seen in the Aussie this morning. AUD will remain USD driven until RBA meeting minutes, and Australia's 2Q wage growth and July employment data next week.

|         | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| AUD/MYR | 3.1040 | 3.1120 | 3.1197     | 3.1310 | 3.1385 |

Source: Bloomberg, HLBB Global Markets Research

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