13 August 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR

Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to Slightly Bullish

USD/MYR opened 0.09% higher at 4.2350 today and traded little changed since. Daily USD/MYR outlook is neutral to slightly bullish today amid selling pressure ahead of the weekend and cautiousness ahead of the release of Malaysia 2Q GDP at noon.

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	4.2360	4.2448	4.2500

MYR Crosses

EUR/MYR

EUR/MYR Neutral to Slightly Bullish

EUR/MYR opened slightly lower at 4.9658 and traded slightly higher, to 4.9710 at time of writing. We are neutral to slightly bullish on the pair today expecting sideway trading in the EUR in the absence of fresh catalysts while the MYR will likely see mild bearishness ahead of the weekend.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.9369	4.9547	4.9710	4.9840	5.0000

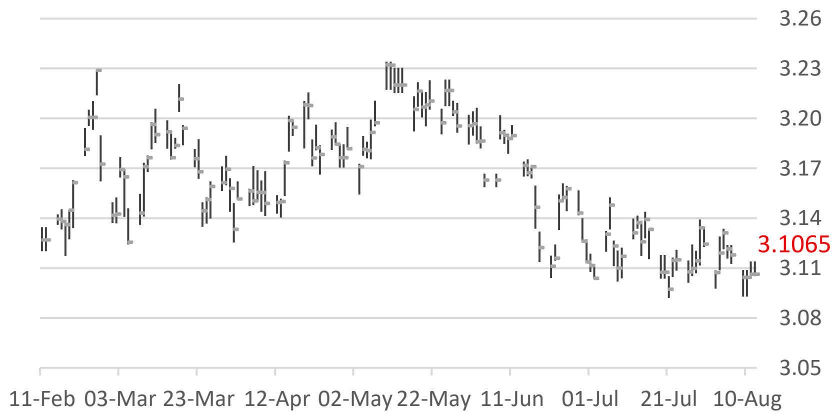
GBP/MYR

GBP/MYR Neutral

GBP/MYR opened 0.39% lower at 5.8441 and traded slightly higher since. Daily outlook is neutral as the lower opening following overnight losses in the sterling will likely cushion pre-weekend selling pressure in the MYR. UK 2Q GDP rebounded as expected but weaknesses in monthly and production data spells challenges ahead. This will likely weigh on the sterling. Next week's employment data will be key watch in the sterling space.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.8251	5.8432	5.8484	5.8663	5.8793

AUD/MYR



AUD/MYR Neutral to Slightly Bullish

AUD/MYR opened 0.37% lower at 3.1063 and was seen trading within a 40pips range higher at time of writing. AUD took a beating amid retreat in commodity prices but was seen steadying in the 0.73 levels. Aussie may see some swings nex week in the wake of China first tier data, RBA meeting minutes, and Australia's 2Q wage growth and July employment data next week.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0950	3.0990	3.1065	3.1140	3.1240

Source: Bloomberg, HLBB Global Markets Research

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