

14 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 higher by 0.16% at 4.1988 and has since breached the 4.20 key resistance, hitting a high of 4.2023, buoyed by overnight USD gains. The pair remains overall bullish and a break of 4.20 at today's close would lead the pair towards the 4.23 handle but we would expect some imminent pullback first since the pair is overbought. We are tweaking our weekly forecast range to 4.18-4.21 given limited downside in the pair.

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	4.1820	4.1910	4.2000	4.2070	4.2190

MYR Crosses

EUR/MYR

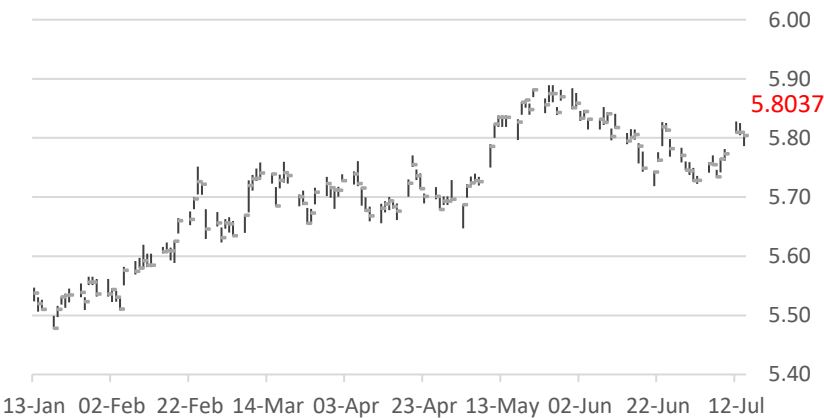


EUR/MYR Neutral to Bearish

EUR/MYR opened 0.6% lower at 4.9359. The pair is expected to see some recovery from the lower opening as the MYR stabilizes and the EUR may recoup some lost ground in European trading session after yesterday's sharp losses. Attention will remain on the shift in ECB's forward policy guidance. Eurozone industrial production is key data watch for the day.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.9210	4.9306	4.9480	4.9609	4.9756

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.4% lower at 5.7871. We turn neutral on the pair today in anticipation of some stabilization in the MYR and a bearish sterling. Having said that, the sterling remains susceptible to downward pressure from rising daily Covid cases in the UK. CPI may potentially swing the GBP today should there be any surprises.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.7371	5.7844	5.8037	5.8246	5.8409

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.6% lower at 3.1185 and has since traded off the lows, at 3.1335 at time of writing. Outlook of the pair is neutral today amid some resiliency in the Aussie, which will likely cushion the lower opening. Covid situation in Sydney may however remain a key risk to the Aussie. The employment data is up next in the data docket.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1157	3.1242	3.1335	3.1446	3.1527

Source: Bloomberg, HLBB Global Markets Research

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