

15 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 0.1% lower at 4.1970. The pair pulled back from the key 4.20 mark at overbought levels. Overall USD/MYR remains bullish; another break above the 4.20 psychological level could lead the pair towards the 4.23 handle. Domestic issues particularly the development of the Covid-19 situation in Malaysia would remain a major driver in the short term.

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	4.1980	4.2070	4.2190

MYR Crosses

EUR/MYR

EUR/MYR Neutral to Bearish

EUR/MYR opened 0.3% higher at 4.9717, as EUR was propelled by a retreat in broad USD. We still anticipate downside pressures for EUR as technical indicators point downward. The Eurozone's HICP inflation is up next but attention will remain on the shift in ECB's forward policy guidance next week.

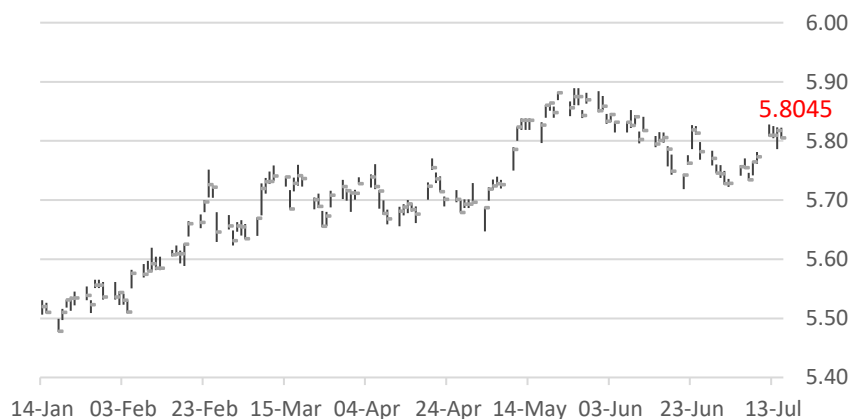


	S2	S1	Indicative	R1	R2
EUR/MYR	4.9445	4.9536	4.9649	4.9756	4.9950

GBP/MYR

GBP/MYR Neutral to Bearish

GBP/MYR opened little changed at 5.8176. We are neutral to bearish on the pair today in anticipation of some stabilization in the MYR and a bearish sterling. The sterling remains susceptible to downward pressure from rising daily Covid cases in the UK.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.7371	5.7844	5.8045	5.8246	5.8409

AUD/MYR

AUD/MYR Neutral to Bearish

AUD/MYR opened 0.6% higher at 3.1430 but has retreated to the lower end of 3.13 levels. The latest job data came in better than expected but still failed to boost AUD. We continue to see weaker AUD as momentum is biased on the downside while the mixed China's GDP and monthly indicators may also weigh.



	S2	S1	Indicative	R1	R2
AUD/MYR	3.1157	3.1273	3.1314	3.1446	3.1527

Source: Bloomberg, HLBB Global Markets Research

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