

16 June 2021

Global Markets Research

Mid-day Currency Outlook

USD/MY



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to Slightly Bearish

USD/MYR opened little changed at 4.1180 and hit 4.12 briefly. The market is unlikely to pay heed to the PM’s recent unveiling of a phase-by-phase reopening plan for the remainder of 2021. We continue to expect more neutral trading ahead of key events, although some pre-FOMC risk aversion and emerging USD bulls suggest the pair may continue to test 4.12 resistance. We maintain a weekly range of 4.09-4.13 for now.

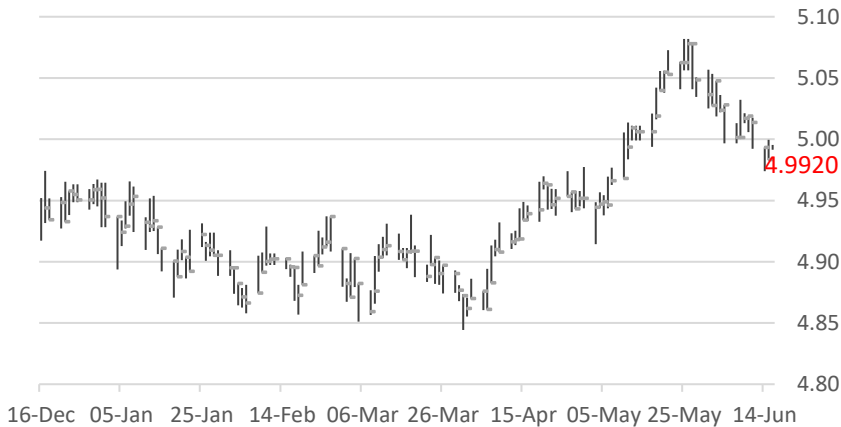
1-Month Outlook – MYR Neutral to Bearish

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, before stabilizing at a more familiar range of 4.13-4.14.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1000	4.1055	4.1190	4.1200	4.1400

MYR Crosses

EUR/MYR



EUR/MYR Neutral to Bearish

EUR/MYR opened little changed at 4.9920. This came as EUR/USD continues to trade at just above key support of 1.21 amid the FOMC anticipation. We maintain a neutral to bearish outlook on EUR as markets may have turned slightly bullish on USD, expecting the Fed to revise growth outlook and its all-important rates forecasts/dot plot.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.9659	4.9739	4.9920	5.0000	5.0095

GBP/MYR



GBP/MYR Neutral to Bearish

GBP/MYR opened little changed at 5.7975. We remain neutral to bearish on the pair despite the splendid job data, as USD bulls may weigh on GBP particularly after the government decided to delay the reopening plan by four weeks. Focus now shifts to the UK's CPI report.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.7654	5.7941	5.7989	5.8150	5.8358

AUD/MYR



AUD/MYR Neutral to Bearish

AUD/MYR opened 0.1% lower at 3.1643. AUD's daily outlook remains biased to the downside amid some pre-FOMC risk aversion. RBA minutes gave markets some heads-ups on the potential decisions at July's meeting, but its warning of "premature tightening" risk still offers some uncertainties.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1500	3.1650	3.1694	3.1800	3.1964

Source: Bloomberg, HLBB Global Markets Research

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