

18 May 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened little changed at 4.1295 and edged slightly down to circa 4.1250. We are neutral on the pair following mixed greenback performance; the lack of market driver and the anticipation for the Fed's minutes may also limit movements; restricting the pair within 4.10-4.14. 4.14 remains a strong resistance to overcome.

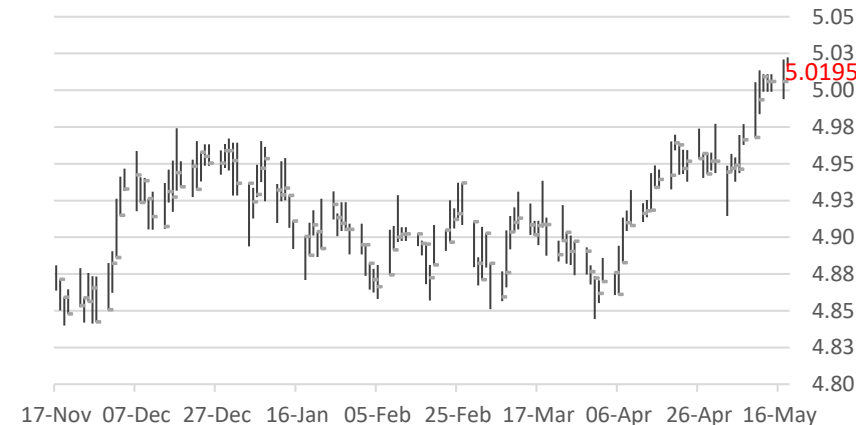
1-Month Outlook – MYR Bearish

No change to our present view of a stronger dollar which is likely to benefit from higher US yields as the economy recovered further in the US. We continue to expect the dollar to strengthen towards 2Q before trending down in 2H of the year and thus a higher USD/MYR in the medium term.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1150	4.1200	4.1250	4.1400	4.1550

MYR Crosses

EUR/MYR



EUR/MYR Neutral to Bullish

EUR/MYR opened little changed at 5.0195 and remained well supported. Technicals indicates that positive momentum persists for EUR/MYR but the lack of key drivers may leave the pair within recent ranges. We caution that at overbought levels, it is susceptible to some downmoves should this week's data (PMI, GDP and trade) disappoint.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.9841	5.0000	5.0195	5.0210	5.0300

GBP/MYR

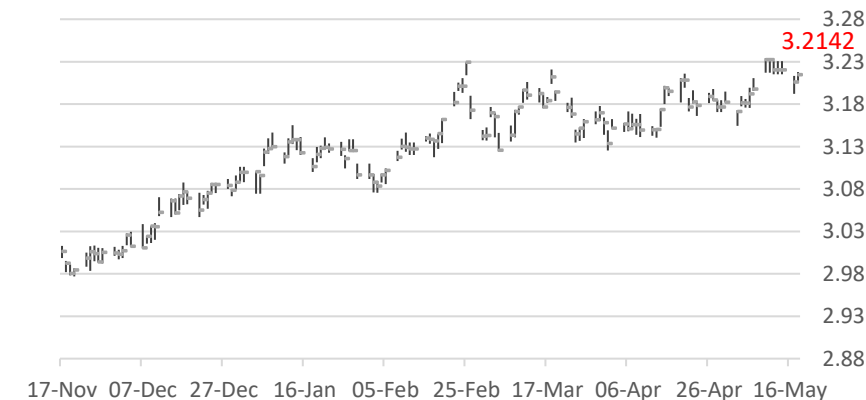


GBP/MYR Neutral to Bullish

GBP/MYR opened 0.3% higher at 5.8418 and staying at multi-year high. The bullish GBP sentiment extended to today's session as the reopening narrative continues to support the pound. The risk is that market may have priced in the development, limiting the upside potentials.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.8000	5.8312	5.8479	5.8500	5.8650

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.1% higher at 3.2097 and has retreated from intra-day high post-RBA's minutes. The RBA's minutes showed that officials are aiming for an above 3% wage growth, compared to the current 1.4%, indicating that the accommodative policy stance and near-zero rates may stay. Pair may stay supported amid higher oil prices but vulnerable to risk aversion.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1820	3.1950	3.2142	3.2320	3.2400

Source: Bloomberg, HLBB Global Markets Research

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