

19 May 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to Bullish

USD/MYR opened little changed at 4.1255. We are neutral to bearish on the pair following the weak USD performance overnight. However, the lack of market driver and the anticipation for the Fed's minutes may continue to limit movements, thus restricting the pair within 4.10-4.14.

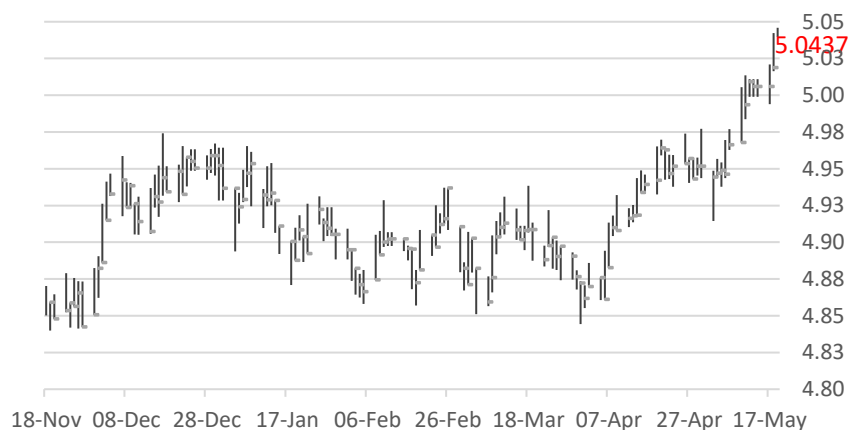
1-Month Outlook – MYR Bearish

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	4.1280	4.1400	4.1550

MYR Crosses

EUR/MYR



EUR/MYR Neutral to Bullish

EUR/MYR opened little changed at 5.0418 following the sharper gain in the prior session. Pair remains well supported with technicals indicating continued positive momentum. The lack of key drivers for now may leave the pair within recent ranges. We caution that at overbought levels, it is susceptible to some downmoves and also post-FOMC minute volatility.

	S2	S1	Indicative	R1	R2
EUR/MYR	5.0000	5.0200	5.0437	5.0460	5.0550

GBP/MYR



GBP/MYR Neutral to Bullish

GBP/MYR opened 0.1% lower at 5.8524 but still at multi-year high. This followed the prior session rally that was driven by both dollar weakness and upbeat UK's job data. No change to our bullish view on as the reopening narrative continues to support the pound. The risk is that market may have priced in the development, limiting the upside potentials. Focus now turns to the UK's CPI data.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.8000	5.8312	5.8544	5.8650	5.8750

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.1% lower at 3.2123. The subdued sentiment ahead of the FOMC minutes may cap the pair's movement within recent ranges, especially with risk aversion lurking in the background.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1820	3.1950	3.2144	3.2320	3.2400

Source: Bloomberg, HLBB Global Markets Research

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