

19 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 little changed at 4.2075 and has breached 4.21 level, targeting 4.20 next. MYR is expected to remain slightly bearish this week, as a stronger USD provides some support. However, at overbought levels, we expect the pair to pull back once hitting the 4.22 mark, which may still keep the pair in a range of 4.18-4.22.

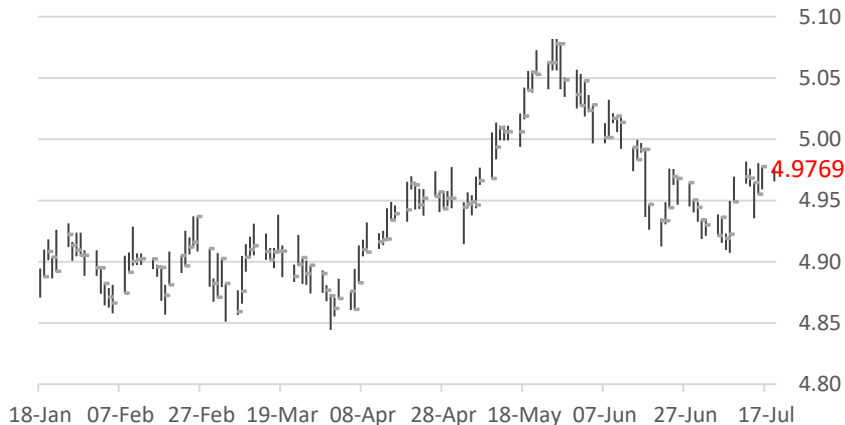
**1-Month Outlook – MYR Neutral to Bearish**

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	4.1860	4.2000	4.2160	4.2200	4.2300

## MYR Crosses

### EUR/MYR



### EUR/MYR Neutral to Bearish

EUR/MYR opened little changed at 4.9678. A stronger USD may weigh on EUR but we expect anticipation for the ECB's meeting to keep EUR/MYR within recent ranges. Hence, the pair may be more resilient for now as markets await more clarity on policy stance, after the special session allowing for inflation to overshoot.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.9445	4.9536	4.9769	4.9800	4.9950

### GBP/MYR



### GBP/MYR Neutral to Bearish

GBP/MYR opened 0.8% lower at 5.7882. We see more downsides for GBP after its prior outperformance at the start of the year. Sentiment is also weighed by the worsening Covid situation in the UK. The government fully reopens its economy today despite daily new Covid cases hitting above 50k over the weekend.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.7771	5.7844	5.7998	5.8246	5.8409

### AUD/MYR



### AUD/MYR Neutral to Bearish

AUD/MYR opened 0.8% lower at 3.1073. The fall in energy prices today may weigh on AUD as OPEC+ agreed to gradually phase out its output cut. Focus turns to the RBA's July minutes and retail sales. However, NZD resilience may slightly support the AUD from underperformance.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0850	3.1039	3.1116	3.1273	3.1382

Source: Bloomberg, HLBB Global Markets Research

**Hong Leong Bank Berhad**

Fixed Income &amp; Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damansara

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: [HLMarkets@hlbb.hongleong.com.my](mailto:HLMarkets@hlbb.hongleong.com.my)**DISCLAIMER**

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