21 May 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR

Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened 0.1% lower at 4.1405 following the broad USD's retreat overnight. Pair is seen trading at 4.1420 and may retreat back to the 4.13-4.14 range today; although the pre-weekend risk aversion may offer support at 4.14.

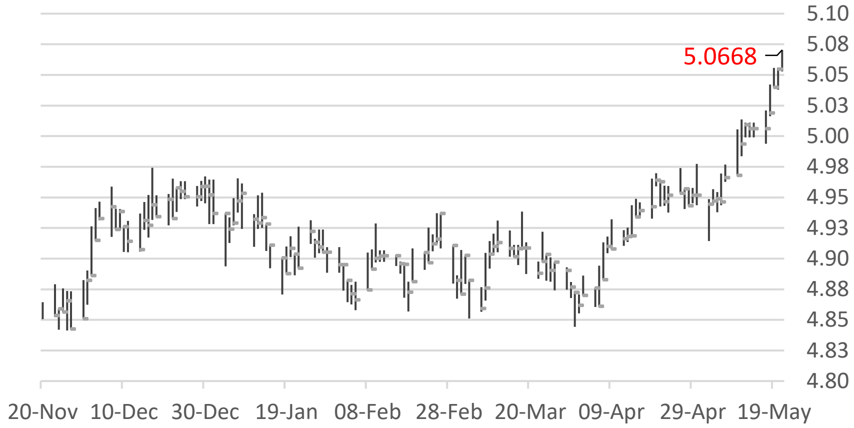
1-Month Outlook – MYR Bearish

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	4.1200	4.1300	4.1420	4.1550	4.1700

MYR Crosses

EUR/MYR



EUR/MYR Neutral to Bullish

EUR/MYR opened 0.3% higher at 5.0685, after the broad-based USD weakness lifted the EUR/USD overnight. Pair remains resilient and well supported and the positive momentum and more neutral MYR is worked in favour of the pair. At overbought level, there are still risks for some downward reversal. Focus now shifts to PMI readings.

	S2	S1	Indicative	R1	R2
EUR/MYR	5.0400	5.0560	5.0668	5.0700	5.0800

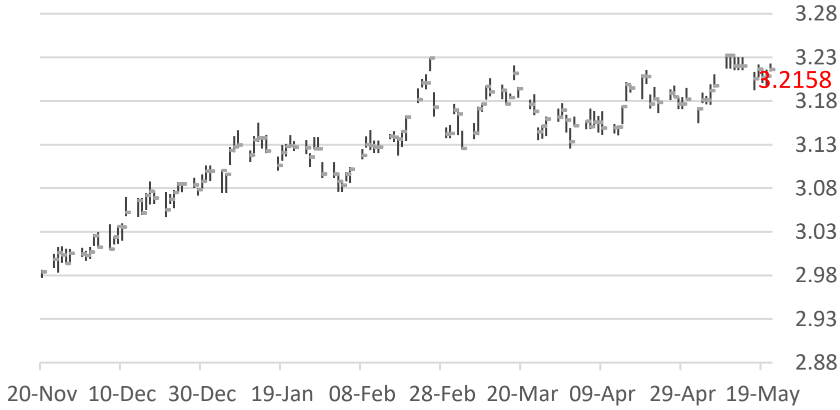
GBP/MY

GBP/MYR Neutral to Bullish

GBP/MYR opened 0.6% higher at 5.8811, amid broad-based USD weakness. The bullish GBP sentiment looks here to stay for now, alongside EUR, on the back of positive economic sentiment . The reopenening narrative continues to support the GBP/USD, as it aims to hit 1.42 big figure, opening further upside for GBP/MYR.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.8015	5.8400	5.8750	5.8850	5.9000

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.4% higher at 3.2213 but eased to below 3.22. The better than expected preliminary Australia's retail sales performance failed to boost AUD. Pair remained vulnerable to potential return of risk aversion and the slump in oil prices could also be a negative contributor.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1820	3.1950	3.2158	3.2320	3.2400

Source: Bloomberg, HLBB Global Markets Research

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