

21 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 4.2275 and has advanced further to near 4.24 as of writing. A breach above 4.24 will move the next target to the key 4.25 level. Pair is expected to remain bullish as dollar bulls dominate the market while the Covid-19 predicament on the domestic front also weighs on MYR sentiment. Having said that, RSI indicator shows that the pair is now severely overbought, suggesting an imminent pullback.

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

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. After the strong outperformance, we expect the pair to retreat to circa 4.15-4.20 levels.

	S2	S1	Indicative	R1	R2
USD/MYR	4.2000	4.2200	4.2390	4.2500	4.2600

## MYR Crosses

### EUR/MYR



### EUR/MYR Neutral to Bearish

EUR/MYR opened little changed at 4.9780, picking up to 4.99 as of writing amid weaker MYR component. We continue to hold bearish bias for EUR on the back of strong USD as well as a potential dovish shift in the ECB's longer-term policy stance. The ECB is expected to deliver its decision tomorrow where markets are looking for a change in forward guidance as promised by ECB chief Christine Lagarde earlier.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.9536	4.9800	4.9902	5.0000	5.0165

### GBP/MYR



### GBP/MYR Neutral to Bearish

GBP/MYR opened 0.5% lower at 5.7610. We continue to see more downsides for GBP after its prior outperformance at the start of the year. Sentiment remains weighed by the worsening Covid situation in the UK. The government fully reopened its economy on Monday despite daily new Covid cases ranging 40k-54k for the past one week.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.7187	5.7500	5.7699	5.7771	5.7890

### AUD/MYR



### AUD/MYR Neutral to Bearish

AUD/MYR opened 0.2% lower at 3.1007 but has weakened to circa 3.09 as of writing. The RBA meeting minutes did not offer any surprise in the prior session. Sentiment is weighed by the concerns over the pandemic as half of Australia is now in lockdown.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0850	3.0900	3.0985	3.1138	3.1233

Source: Bloomberg, HLBB Global Markets Research

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