

22 July 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 4.2305 but has slipped lower to below 4.23 as of writing. We see 4.25 as a key resistance after USD/MYR breaches 4.23. However, the retreat in broad USD overnight amid a boost in global risk sentiment is expected to weigh on the pair especially when the RSI indicator remains at highly overbought levels, pointing to some pullbacks from prior overperformances.

#### 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	4.2285	4.2300	4.2500

## MYR Crosses

### EUR/MYR

#### EUR/MYR Neutral to Bearish



EUR/MYR opened 0.2% higher at 4.9921. Any further upside is limited as MYR regained some ground. EUR is still biased towards the downside ahead of the ECB's announcement today as markets await a change in the central bank's forward guidance. The decision to allow inflation to overshoot its new 2% target implies that accommodative policy would stay for a longer period of time, a negative for EUR.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.9536	4.9800	4.9881	5.0000	5.0165

### GBP/MYR

#### GBP/MYR Neutral to Bearish



GBP/MYR opened 0.7% higher at 5.8046 as the sterling rallied against a weak USD backdrop. Despite that, we are neutral to bearish on the pair as MYR rebounded today; GBP/MYR has also eased from the early morning's high to below 5.80. The UK has continued to report huge number of new Covid cases (above 40k) and some renewed Brexit tensions may also weigh on the pair.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.7500	5.7769	5.7961	5.8033	5.8200

### AUD/MYR

#### AUD/MYR Neutral to Bearish



AUD/MYR opened 0.5% higher at 3.1121, benefitting from the boost in risk sentiment and higher commodity prices. However, further upsides are capped by domestic concerns as half of Australia is in lockdown. In addition, a firmer MYR today is likely to drag the pair lower too.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0900	3.1063	3.1094	3.1179	3.1248

Source: Bloomberg, HLBB Global Markets Research

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