

23 July 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened little changed at 4.2225 after MYR regained some ground amid a reversal in USD strength. The pair may be stabilising at 4.21-4.23 levels today against a backdrop of mixed sentiments. We see 4.25 as the key resistance and 4.20 as support. CPI data are up next in today’s data docket.

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	4.2240	4.2300	4.2500

MYR Crosses

EUR/MYR



EUR/MYR Neutral to Bearish

EUR/MYR opened 0.2% lower at 4.9713 after EUR/USD weakened overnight alongside lower European yields. We are neutral to bearish on the pair as the EUR weakened while the MYR stabilised from this week's volatilities. The ECB's dovish policy stance may pave way for further downsides against a backdrop of resilient USD.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.9526	4.9667	4.9737	4.9850	4.9948

GBP/MYR



GBP/MYR Neutral to Bearish

GBP/MYR opened 0.3% higher at 5.8160. GBP/USD has strengthened amid some return of risk-on sentiment but we maintain a neutral-to-bearish view on the sterling given a resilient USD. The UK has continued to report huge number of new Covid cases (above 40k) and the renewed Brexit tensions may also weigh on the pair.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.7771	5.7977	5.8146	5.8200	5.8354

AUD/MYR



AUD/MYR Neutral to Bearish

AUD/MYR opened little changed at 3.1166. We continue to see limited upside for the pair as lockdown-related concerns may spur some selling of the Aussie dollar. Half of Australia is currently in lockdown to contain the Covid delta variant.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1000	3.1154	3.1206	3.1249	3.1400

Source: Bloomberg, HLBB Global Markets Research

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