24 May 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 4.1410. The overall retreat in risk sentiments and heightening concerns over surging infection cases could weigh on the MYR, outweighing USD weaknesses. We are neutral to bullish on USD/MYR outlook in the week ahead, eyeing a range of 4.13-4.17 (prior: 4.1225-4.1475).

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	4.1425	4.1550	4.1700

MYR Crosses

EUR/MYR

EUR/MYR Neutral to Bullish

EUR/MYR opened 0.4% lower at 5.0434, correcting from the recent high after being overbought. Despite having moved lower, positive momentum stays high for the pair as the strong economic optimism likely spurs further upsides for EUR. The Eurozone's headline economic confidence index is likely to join the current stack of positive data this week, contributing to the bullish sentiment.

	S2	S1	Indicative	R1	R2
EUR/MYR	5.0275	5.0400	5.0467	5.0550	5.0700

GBP/MY

GBP/MYR Neutral to Bullish

GBP/MYR opened 0.5% lower at 5.8547, retreating from the multi-year high at overbough levels. The UK's PMI and retail sales data beat expectations and reaffirmed the post-lockdown rebound. We look for further bids in the pair alongside stronger EUR. Momentum is still upwardly biased at elevated levels.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.8015	5.8400	5.8569	5.8850	5.9000

AUD/MYR

AUD/MYR Neutral

AUD/MYR opened 0.4% lower at 3.1985. We maintain a neutral outlook for AUD/MYR amid cautious sentiment. Australia's data are limited this week, thus investors' focus is on the volatility of commodity prices, especially after China vowed to impose some sort of control on prices.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1820	3.1950	3.1981	3.2130	3.2350

Source: Bloomberg, HLBB Global Markets Research

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