24 August 2021

Global Markets Research

Mid-day Currency Outlook

USD/MY

Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Bullish

USD/MYR opened little changed at 4.2355. MYR is riding on the broad USD weakening and the end of political uncertainties on the domestic front. Pair has breached the 4.2200 support as of writing, targeting 4.21 next.

1-Month Outlook – MYR Neutral

We expect the MYR to regain some lost grounds as higher vaccination rates should help better contain the pandemic situation. This would allow Malaysia to move on to the next phase of its National Recovery Plan and most importantly, allow more economic sectors to reopen and/or operate at higher capacity. We are forecasting USD/MYR to trend back to the 4.20 levels in the months ahead once the situation stabilizes and some forms of calm return, paving the way for more meaningful reopening and recovery in the final quarter of the year. Expectations for some consolidation in the USD would be supportive of the MYR too.

	S2	S1	Indicative	R1	R2
USD/MYR	4.2000	4.2100	4.2180	4.2400	4.2500

MYR Crosses

EUR/MYR

EUR/MYR Neutral to Bearish

EUR/MYR opened 0.2% higher at 4.9584. EUR/USD steadies at circa 1.1740 currently as the market anticipates Germany's 2Q GDP growth and the IFO business sentiment. Outlook is neutral to bearish for EUR/MYR today on the back of firmer MYR. Pair has broken 4.95 support as of writing.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.9356	4.9450	4.9492	4.9660	4.9800

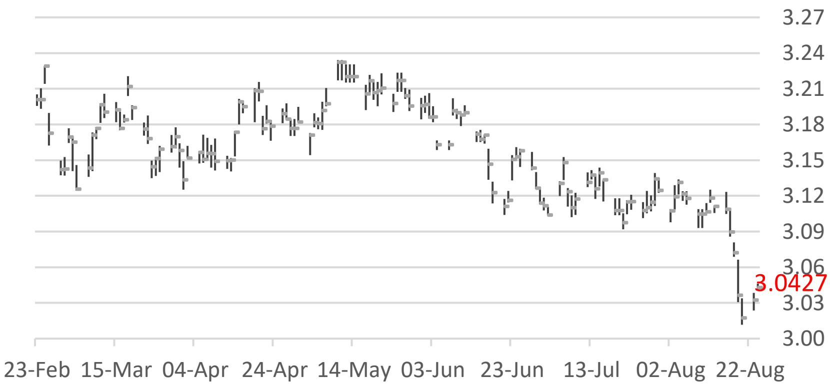
GBP/MYR

GBP/MYR Neutral to Bullish

GBP/MYR opened little changed at 5.7754. GBP/USD rallied alongside other G10 currencies overnight as USD retreated. This was despite the UK services PMI showing signs of weakening amid less robust demand conditions. GBP/USD may be targeting 1.38 resistance but the concurrent strength in MYR today may limit the gains in GBP/MYR.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.7420	5.7650	5.7854	5.8000	5.8186

AUD/MYR



AUD/MYR Neutral to Bullish

AUD/MYR opened 0.3% higher at 3.0260. AUD/USD jumped as commodity currencies outperformed alongside the rebound in oil prices. Further recovery in the aussie dollar is set to extend to today's session as USD softened. Optimism surrounding potential reopening may continue to offer support as well.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0100	3.0250	3.0427	3.0500	3.0685

Source: Bloomberg, HLBB Global Markets Research

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