26 April 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 unchanged at 4.1085. MYR outlook is turning more neutral now but we still see room for some slight gains with support at the key 4.10 level. We are eyeing a range of 4.10-4.13 this week as markets await FOMC meeting.

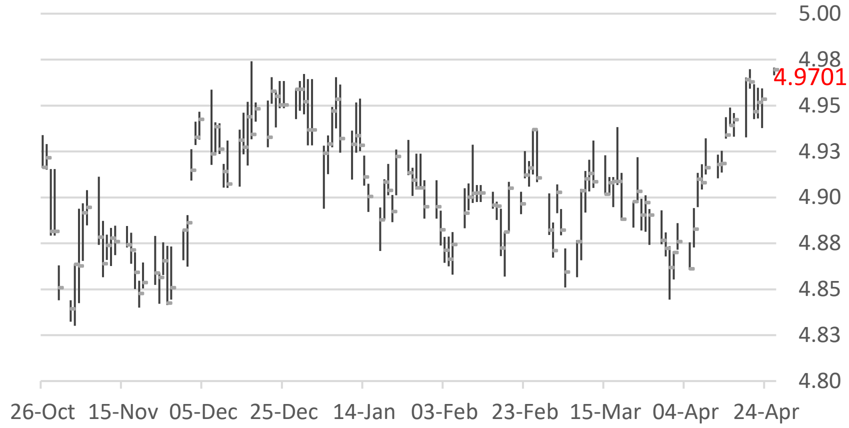
1-Month Outlook – MYR Bearish

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	4.1000	4.1000	4.1050	4.1300	4.1500

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened 0.3% higher at 4.9672 after EUR rebounded last Friday from post-ECB slump. The services PMI's return to expansionary level leads us to a slightly positive view of EUR. However, EUR is still vulnerable to the return of risk aversion especially ahead of the FOMC, indicating limited upside to EUR/MYR.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.9514	4.9590	4.9701	4.9800	4.9970

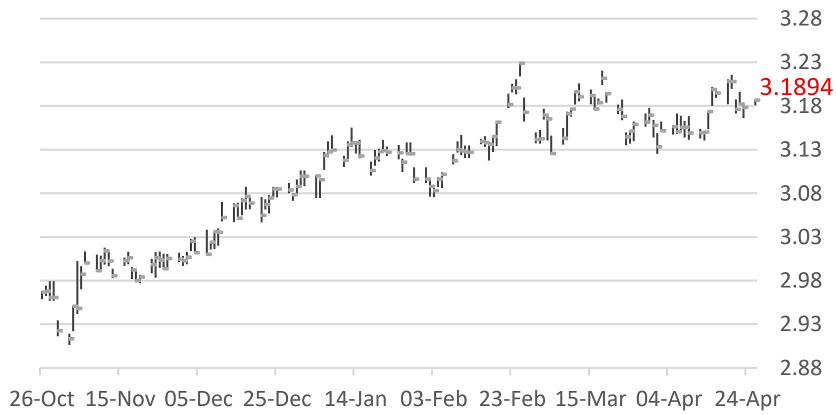
GBP/MYR

GBP/MYR Neutral to Bearish

GBP/MYR opened little changed at 5.6968. GBP/USD strengthened modestly after the strong PMI readings last Friday but may be poised for reversal after prior performance, especially if risk aversion returns again. We continue to expect little changes in the pair for now.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6500	5.6748	5.7045	5.7160	5.7400

AUD/MYR



AUD/MYR Neutral to Bearish

AUD/MYR opened 0.1% higher at 3.1814 after the broad USD weakened last Friday. We see some vulnerability for AUD/USD, if risk aversion returns again. Australia's 1Q CPI is released on 28 April, and will provide information on recent inflationary pressures

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1650	3.1705	3.1894	3.1950	3.2100

Source: Bloomberg, HLBB Global Markets Research

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