

26 July 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 4.2270. We are neutral to bullish on USD/MYR this week as the reversal in the pair’s overbought condition gave rise to further upsides given that USD is expected to strengthen modestly. Another break of 4.23 will clear the ways towards the 4.25 key level. We watch out for a range of 4.21-4.25.

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	4.2265	4.2300	4.2500

MYR Crosses

EUR/MYR

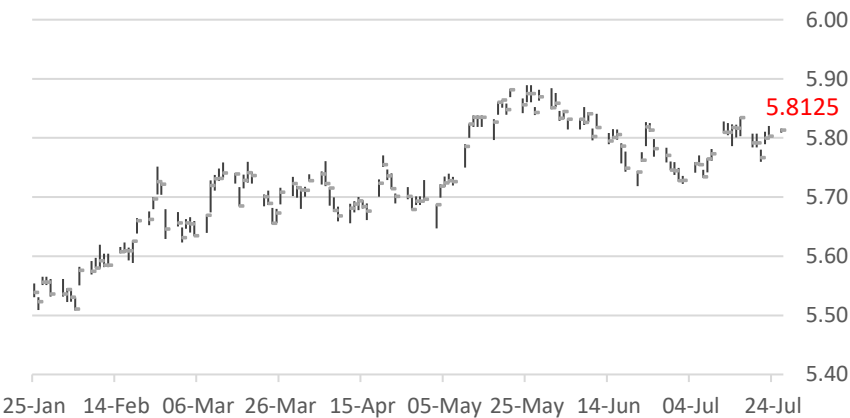


EUR/MYR Neutral to Bearish

EUR/MYR opened little changed at 4.9761. The stronger Eurozone PMI data have failed to boost the EUR as the dollar remains resilient. We are neutral to bearish on EUR/MYR as technical indicators suggest a downside bias for EUR. We also expect the modest strength in USD to weigh on the pair.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.9526	4.9667	4.9759	4.9850	4.9948

GBP/MYR



GBP/MYR Neutral to Bearish

GBP/MYR opened 0.2% higher at 5.8144. The UK PMIs had moderated from elevated levels, indicating that the pace of economic recovery will ease further. We see slight downsides for the sterling, partly as technical indicators point towards some downside bias.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.7771	5.7977	5.8125	5.8200	5.8354

AUD/MYR



AUD/MYR Neutral to Bearish

AUD/MYR opened little changed at 3.1141. We see slight downsides for AUD as technical indicators hint at an offered tone ahead. The local pandemic situation remained mixed with Victoria potentially exiting lockdown while New South Wales may see an extension.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1000	3.1077	3.1086	3.1179	3.1265

Source: Bloomberg, HLBB Global Markets Research

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