27 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 little changed at 4.1005. We expect USD/MYR to stabilise today following yesterday's down moves and ahead of the FOMC meeting but weekly outlook has turned slightly bearish after the pair breached 4.10 in yesterday's session, with support now at 4.07 in the more medium term.

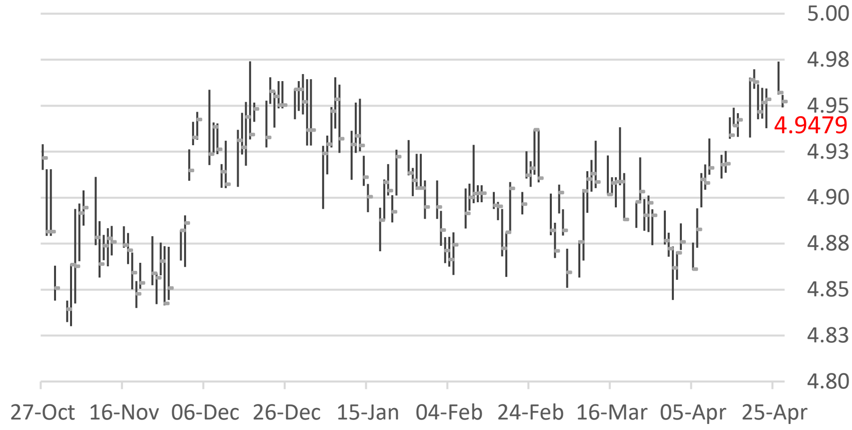
1-Month Outlook – MYR Bearish

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	4.0700	4.1000	4.1005	4.1300	4.1500

MYR Crosses

EUR/MYR

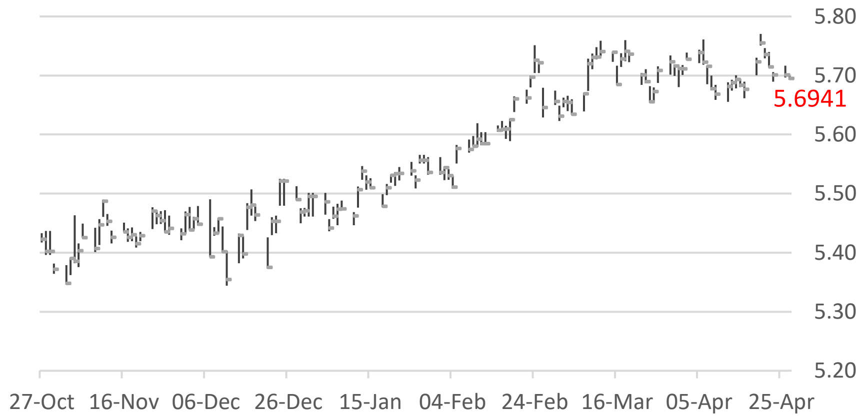


EUR/MYR Neutral

EUR/MYR opened 0.2% lower at 4.9498, in line with our view that EUR may consolidate after recent outperformance. The Eurozone 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 ahead of the FOMC this week.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.9200	4.9320	4.9479	4.9800	4.9970

GBP/MYR

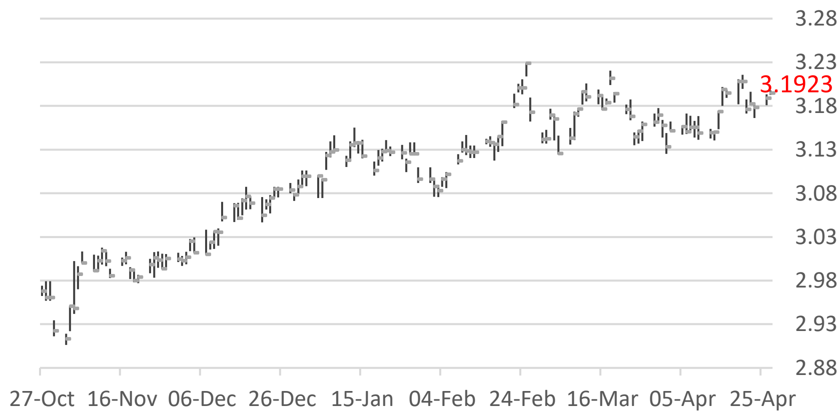


GBP/MYR Neutral

GBP/MYR opened 0.1% lower at 5.6937. We continue to expect little changes in the pair for now as both MYR and GBP both stabilised following recent gains, amid a lack of drivers. Technicals indicate GBP/USD may still have some room to strengthen if USD weaken further. Still, GBP may be a casualty after prior performance, if risk aversion returns again.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6500	5.6748	5.6941	5.7160	5.7400

AUD/MYR



AUD/MYR Neutral to Bullish

AUD/MYR opened 0.2% higher at 3.1949 as commodity currencies outperformed amid rather buoyant sentiment. However, we continue to see some vulnerability for AUD/USD, if risk aversion returns again. Australia's 1Q CPI is released tomorrow, and will provide information on recent inflationary pressures

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1650	3.1705	3.1923	3.1950	3.2100

Source: Bloomberg, HLBB Global Markets Research

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