27 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 4.1425, with 4.14 remaining a stronghold. We maintain our neutral to bullish weekly outlook for the pair as heightened concerns over surging Covid-19 cases in Malaysia could weigh on the MYR. We continue to eye a range of 4.13-4.17 this week.

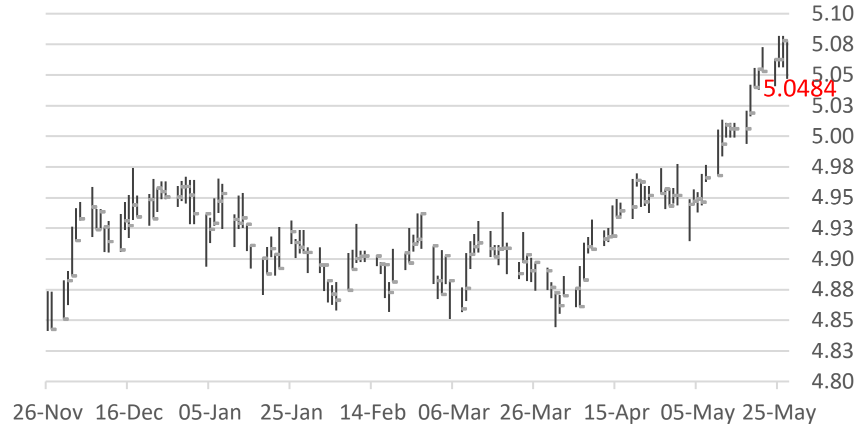
1-Month Outlook – MYR Neutral to Bearish

We continue to expect the dollar to remain resilient toward 2Q, in line with the increased net long position in recent weeks. USD/MYR will likely be trading at circa 4.15, within our end-2Q21 forecast, before trending down in 2H this year.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1200	4.1300	4.1430	4.1550	4.1700

MYR Crosses

EUR/MYR



EUR/MYR Neutral

EUR/MYR opened 0.5% lower at 5.0519. After staying consistently at high levels, market trimmed EUR's position to a more neutral level. Nonetheless, we stay slightly constructive on the currency on market positivity and EUR's resilience, but expect range-bound movements today. Focus shifts to the Eurozone's headline economic confidence index which is likely to join the current stack of positive data, followed by US GDP.

	S2	S1	Indicative	R1	R2
EUR/MYR	5.0275	5.0400	5.0484	5.0700	5.0800

GBP/MYR

GBP/MYR Neutral

GBP/MYR opened 0.4% lower at 5.8488, also pulling back from recnet high. We look for further bids in the pair but the lack of driver today likely keeps the pair grounded within a tight range. The reopening narrative expected to continue supporting GBP but pair is more dollar driven today, ahead of key US data.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.8015	5.8400	5.8438	5.8850	5.9000

AUD/MYR

AUD/MYR Neutral

AUD/MYR opened 0.3% lower at 3.2069. We maintain a neutral outlook for AUD/MYR as the pair remains vulnerable to the return of risk aversion as well as renewed decline in oil prices. Market is also monitoring the Covid situation of Victoria as it re-entrered a new 7-day lockdown.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1820	3.1950	3.2059	3.2200	3.2350

Source: Bloomberg, HLBB Global Markets Research

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