

28 June 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened unchanged at 4.1570 and traded lower at 4.1510 amid a correction from the previously overbought levels. Pair was unperturbed by news that Malaysia's lockdown will now be indefinite if the daily new infections stay above 4,000 threshold. We note that the crossing of 4.16 mark last week has built up positive momentum for the pair, but the cautious sentiment at the start of the week alongside the lack of market drivers may leave the pair within a tight range of 4.1450-4.1600 for now. We eye a weekly range of 4.13-4.18.

1-Month Outlook – MYR Neutral to Bearish

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.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1250	4.1400	4.1510	4.1700	4.1850

MYR Crosses

EUR/MY



EUR/MYR Neutral

EUR/MYR opened little changed at 4.9637 but fell considerably to 4.9494 amid a slightly firmer MYR. Despite our current neutral to bullish call on EUR/USD, we suspect the correction in MYR today may counter EUR bulls for now. EUR related drivers include the HICP inflation and ECB's chief Lagarde's speech.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.9192	4.9395	4.9494	4.9637	4.9859

GBP/MYR



GBP/MYR Neutral to Bearish

GBP/MYR opened 0.1% lower at 5.7761, tracking the weaker sterling last Friday. Sentiment may deteriorate for GBP as the UK reported 14k to 18k daily new cases for the past week. A consolidating MYR today may also weigh on the pair.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.7228	5.7500	5.7621	5.7802	5.8000

AUD/MYR



AUD/MYR Neutral to Bearish

AUD/MYR opened little changed at 3.1568 but is seen trading lower at just below 3.15. AUD/MYR is likely to suffer from some selling pressure as a consolidating MYR and the announcement of a two-week lockdown of Sydney should put it at a disadvantage.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1250	3.1378	3.1466	3.1524	3.1670

Source: Bloomberg, HLBB Global Markets Research

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