

28 July 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened little changed at 4.2310. We maintain a neutral outlook for USD/MYR, expecting the pair to stabilise at circa 4.23 levels ahead of the FOMC meeting while investors monitor the 5-day parliament sitting on the local front. The RSI indicator continued to show the pair being at overbought levels. We watch out for a weekly 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	4.2315	4.2400	4.2500

MYR Crosses

EUR/MYR



EUR/MYR Neutral to Bullish

EUR/MYR opened 0.3% higher at 5.0036. EUR was boosted by the lingering weakness in USD against a backdrop of mixed sentiments. We expect limited upside on the pair as market likely tread cautiously ahead of the FOMC decision. Key EUR-related data are the advance 2Q GDP and HICP inflation.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.9820	4.9945	5.0023	5.0165	5.0300

GBP/MYR



GBP/MYR Neutral to Bullish

GBP/MYR opened 0.8% higher at 5.8763. Sentiment turned better for the sterling as the UK's new Covid cases continued to fall, adding to more evidence that the latest outbreak may have peaked. We see rooms for further gains but key event risk from FOMC meeting will likely keep markets on the side line for now.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.8193	5.8500	5.8733	5.8892	5.9000

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.3% higher at 3.1178. AUD failed to get a boost from upbeat CPI data. Cautious market sentiments before the FOMC announcement is expected to sideline investors. Rising Covid cases and the extension of Sydney lockdown also serves a dampener.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1000	3.1090	3.1142	3.1265	3.1350

Source: Bloomberg, HLBB Global Markets Research

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