29 June 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 4.1480 but has rebounded back to circa 4.15 as expected, in reaction to the stronger USD overnight. We note that the crossing of the 4.16-mark last week has built up positive momentum for the pair but cautious sentiment 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.

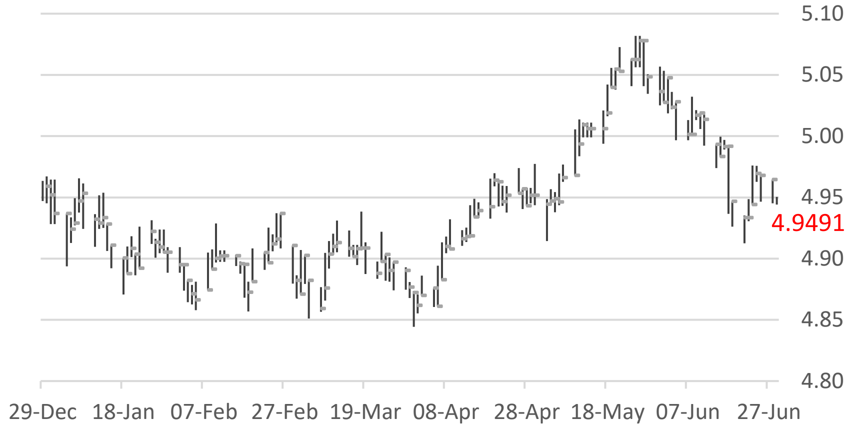
1-Month Outlook – MYR Neutral to Bearish

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	4.1540	4.1700	4.1850

MYR Crosses

EUR/MY

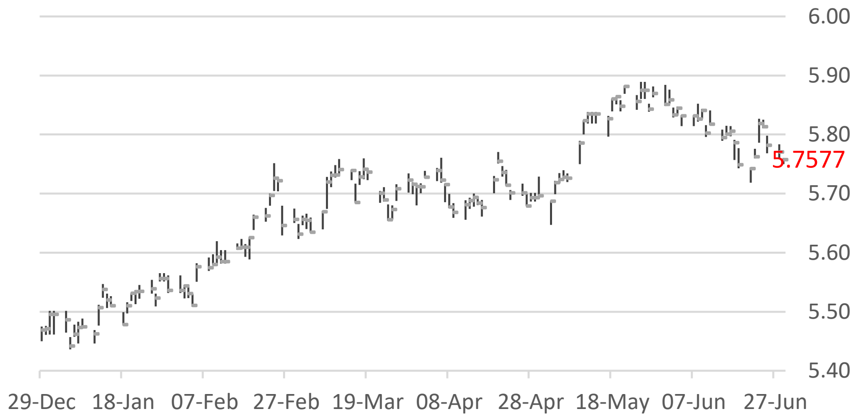


EUR/MYR Neutral

EUR/MYR opened little changed at 4.9468. We maintain a neutral outlook for EUR/MYR amid cautious sentiment ahead of key EUR drivers which include various US data as well as the Eurozone's HICP inflation and ECB's Chief Lagarde's speech.

	S2	S1	Indicative	R1	R2
EUR/MYR	4.9192	4.9395	4.9491	4.9637	4.9859

GBP/MYR

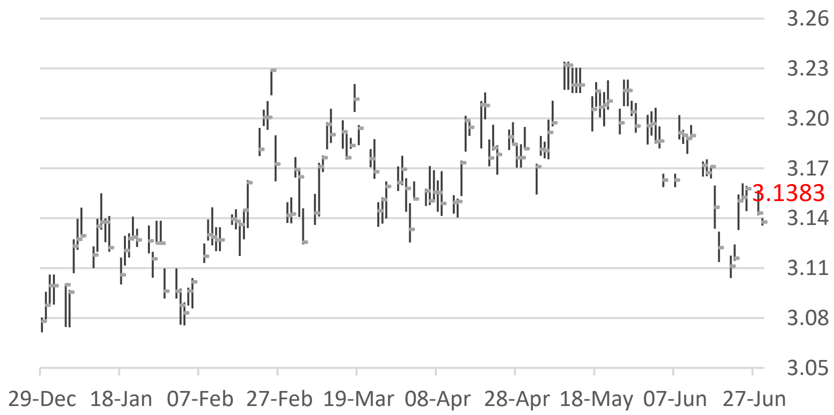


GBP/MYR Neutral to Bearish

GBP/MYR opened 0.3% lower at 5.7554. We are neutral and bearish on the pair today as BOE-related sentiment has waned this week and market appears to lack direction for now. However, the UK is now battling a new Covid wave with daily cases exceeding 22k on Monday. Sentiment may deteriorate further in our view as it looks unlikely that the UK may fully reopen the economy on 19 July should this continues.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.7228	5.7500	5.7577	5.7802	5.8000

AUD/MYR



AUD/MYR Neutral to Bearish

AUD/MYR opened 0.1% lower at 3.1387 and is currently trading within a tight range. Pair may stabilise after the down move in the prior session but is still vulnerable to some selling pressure amid economic concerns. Sydney has been placed in a two-week lockdown to combat the delta variant.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1250	3.1324	3.1383	3.1497	3.1670

Source: Bloomberg, HLBB Global Markets Research

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