

1 July 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral

USD/MYR opened 0.01% lower at 4.7172 before sliding to 4.7150 at the point of writing. Daily outlook is neutral as we expect the pair to be trading in a tight range ahead of the pivotal ISM-Manufacturing today, followed by the minutes to the latest FOMC meeting as well as non-farm payroll data later in the week. Domestically, the only data on deck is the S&P Global Malaysia PMI, which was released this morning and the index dipped below the 50-threshold to 49.9 in June (May: 50.1), but this has had little impact on the pair.

1-Month Outlook – USD/MYR Neutral

The USD/MYR outlook is neutral as the upside for the DXY appeared to have peaked with the recent rise in the Dollar, amidst cooling-but-still resilient signs of a labour market, forward looking data that suggests gradual weakening in economic conditions in 2Q, but also an uneven disinflation path which should keep rate cut expectations and marked weakening in the Dollar, in check. Domestically, MYR will be supported by expectations for an extended pause in the OPR, as recovery in exports, sustained domestic demand and upside risk to inflation amid imminent subsidy cuts should shield BNM from any OPR cut. The ongoing tension in the Middle-east could benefit both the USD and MYR, the latter benefitting from the higher oil prices, while the former benefitting from a safe-haven bid in the forex market.

	S2	S1	Indicative	R1	R2
USD/MYR	4.7063	4.7108	4.7150	4.7199	4.7245

USD/SGD



USD/SGD Neutral

USD/SGD opened 0.02% lower at 1.3557 and slid to 1.3549 at the point of writing. As this is a predominantly USD-driven pair, we have a neutral outlook today, eyeing a trading range between 1.3542-1.3565. On the Singapore front, June's PMI and Electronic Sector indices are scheduled for release, which will shed some light on how the economy closed out the quarter.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3530	1.3542	1.3549	1.3565	1.3576

MYR Crosses

SGD/MYR

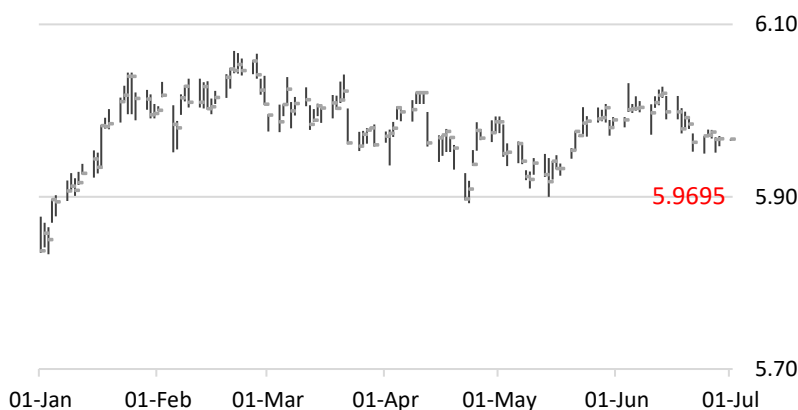


SGD/MYR Neutral

SGD/MYR opened 0.02% lower at 3.4809 and slid to 3.4804 at the point of writing. Daily outlook is neutral as both currencies have largely held steady and strengthened against their regional peers this morning, eyeing trading range between 3.4767-3.4844.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4729	3.4767	3.4804	3.4844	3.4882

GBP/MYR



GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.01% lower at 5.9669 but rebounded to 5.9695 at the point of writing. Daily outlook is neutral-to-slightly bullish on GBP strength against regionals, especially after the UK economy grew at a faster pace than initially estimated in 1Q (+0.7% q/q vs -0.3% q/q) due to upwards revisions in consumer spending. We nonetheless, expect gains to be capped with the UK elections on Thursday.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9581	5.9630	5.9695	5.9726	5.9775

AUD/MYR
AUD/MYR Neutral-to-Slightly Bullish


AUD/MYR opened 0.29% higher at 3.1483 but pared some of its gains to trade at 3.1456 at the point of writing. Daily outlook is neutral-to-slightly bullish as AUD/USD pair trades on a stronger note around 0.6670 at the point of writing, supported by a still hawkish RBA and as politics weigh on the Dollar.

	S2	S1	Indicative	R1	R
AUD/MYR	3.1431	3.1453	3.1456	3.1498	3.1521

Source: Bloomberg, HLBB Global Markets Research

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