

2 July 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

USD/MYR opened flattish at 4.7135 but quickly rebounded to 4.7190 at the point of writing. Daily outlook is neutral-to-slightly bullish as most regional currencies weakened against the greenback in early morning trade, and with the weaker ISM-manufacturing reading failing to dent appetite for the Dollar. The direction of the pair later today will be driven by Fed Chair Jerome Powell’s speech and to a lesser extent, the JOLTS job openings data for May.

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	4.6995	4.7088	4.7190	4.7274	4.7367

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3576 and strengthened to 1.3581 at the point of writing. As the pair has largely traded within the narrow range and +/-0.1% from opening level and investors largely looking for cues from Powell, we have a neutral outlook for this pair today, eyeing trading range between 1.3560-1.3587.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3547	1.3560	1.3581	1.3587	1.3600

MYR Crosses

SGD/MYR



SGD/MYR Neutral

SGD/MYR opened 0.21% lower at 3.4715, but quickly pared some of its losses to trade at 3.4759 at the point of writing. Daily outlook is neutral, with losses from the lower opening expected to narrow as it is trading near the oversold position and on SGD strength against regionals.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4602	3.4674	3.4759	3.4817	3.4888

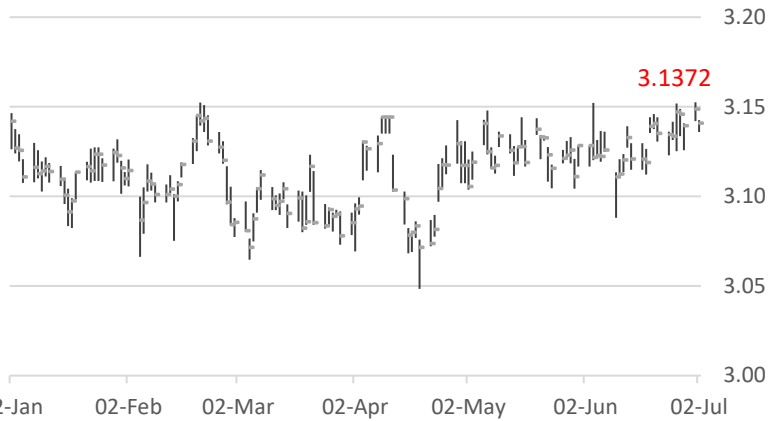
GBP/MYR



GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.22% lower at 5.9602 but erased some of its losses to trade at 5.9651 at the point of writing. Daily outlook is neutral-to-slightly bearish on given the lower opening and as GBP/USD trended down to 1.2640 at the point of writing. The UK has a thin economic data docket this week, though GBP traders will be keeping an eye out for elections on July 4.

	S2	S1	Indicative	R1	R2
GBP/MYR	3.9418	5.9542	5.9651	5.9786	5.9908

AUD/MYR

AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 0.38% lower at 3.1366, whipsawed around 3.1353-3.1425 before setting at 3.1372 at the point of writing. Daily outlook is neutral-to-slightly bearish as AUD/USD traded in red at 0.6649 at the point of writing, after the RBA released minutes were less hawkish than expected, noting that the recent data was insufficient to prompt a rate hike.

	S2	S1	Indicative	R1	R
AUD/MYR	3.1270	3.1335	3.1372	3.1442	3.1531

Source: Bloomberg, HLBB Global Markets Research

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