

2 September 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

**Intraday Thoughts – Neutral-to-Slightly Bullish**

USD/MYR opened 0.06% lower at 4.3177 but quickly pared its losses and more to trade at 4.3375 at the point of writing. Daily outlook is neutral-to-slightly bullish given the jump in DXY last Friday, supported by higher Treasury yields and strong consumer spending print, the latter saw traders reaffirming expectations of only a 25bps rate cut in the September FOMC meeting rather than a 50bps cut. With PCE inflation data out of the way and not springing any surprises, next key data on deck will be the upcoming US non-farm payroll and on the domestic front, BNM’s policy decision later this week.

**1-Month Outlook – USD/MYR Neutral**

The USD/MYR outlook is neutral as the pair continues to trade near its oversold position after the recent MYR rally, which will more than offset expectations of broad USD weakness going forward, the latter weighed down by a much softer labour data prints in July, further signs of disinflation, gradual weakening in economic conditions in 3Q and more importantly, strongest ever signals for a September rate cut. This kept market pencilling in at least 4 rate cuts by end-2024 at the point of writing, narrowing the interest rate differentials between the US and Malaysia. 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 and civil service pay hikes should shield BNM from any OPR cut.

	S2	S1	Indicative	R1	R2
USD/MYR	4.3093	4.3215	4.3375	4.3421	4.3505

### USD/SGD



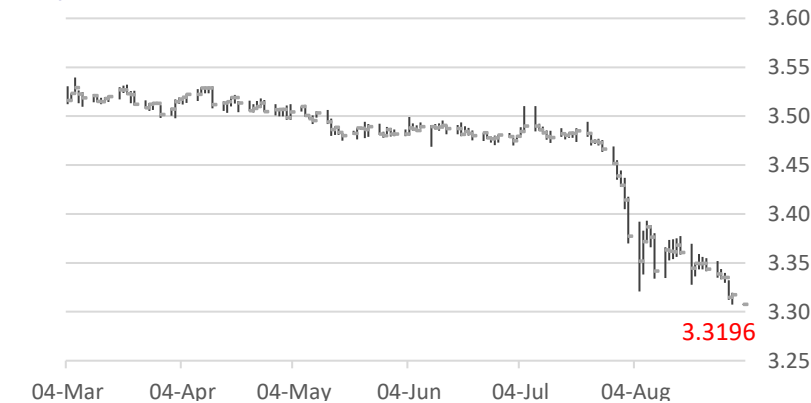
#### USD/SGD Neutral

USD/SGD opened 0.12% lower at 1.3051 but pared some of its losses to trade at 1.3066 at the point of writing. Daily outlook is neutral in a tug of war between USD and SGD strength this morning. Key risk for this pair today will be Singapore's PMI and Electronic Sector indices released after the bell.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3012	1.3036	1.3066	1.3084	1.3108

### MYR Crosses

#### SGD/MYR

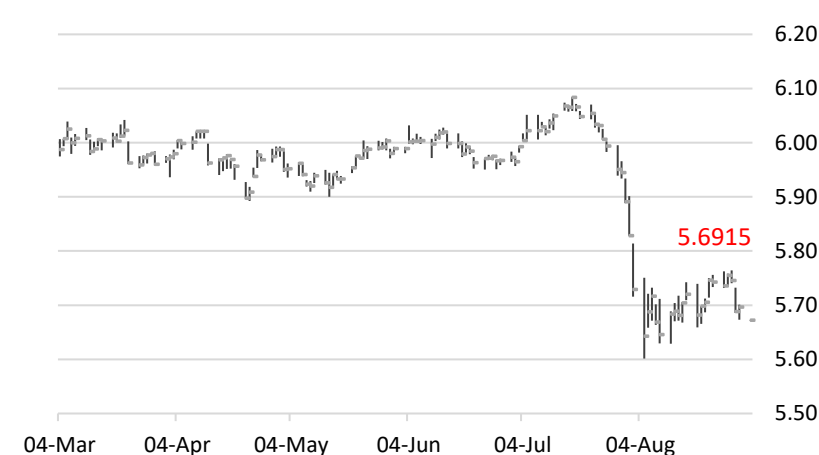


#### SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.29% lower at 3.3078 but quickly rebounded above its previous close at 3.3196 at the point of writing. Daily outlook is neutral-to-slightly bullish given SGD strength today and its oversold position, facing R1 and R2 at 3.3254 and 3.3321 respectively. Data wise, we saw the release of S&P Manufacturing PMI for Malaysia this morning, which held steady but contractionary at 49.7.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.2998	3.3093	3.3196	3.3254	3.3321

#### GBP/MYR



#### GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.42% lower at 5.6724 but pared some of its losses to trade at 5.6915 at the point of writing. Daily outlook is neutral-to-slightly bearish given the lower opening, but expect losses to narrow through the day given the strong housing data from UK last Friday, from mortgage approvals to home prices.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6572	5.6732	5.6915	5.7020	5.7148

**AUD/MYR**

**AUD/MYR Neutral-to-Slightly Bearish**

AUD/MYR opened 0.56% lower at 2.9239 but erased some of its gains to trade at 2.9340 at the point of writing. Daily outlook is neutral-to-slightly bearish given the lower opening, but expect losses to be capped after the AUD/USD pair held steady at the 0.6760 level after China's Caixin Manufacturing PMI beat expectations and turned expansionary at 50.4 for August this morning.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9152	2.9248	2.9340	2.9416	2.9492

Source: Bloomberg, HLBB Global Markets Research

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