

3 July 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

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

USD/MYR opened 0.18% lower at 4.7125, but pared some of its losses to trade at 4.7190 at the point of writing. Daily outlook is neutral-to-slightly bearish amidst selling pressures on the greenback after Fed Chair Jerome Powell commented that the inflation is cooling again after higher readings earlier this year, although he wants to see more evidence before being confident enough to start cutting interest rates. With this, futures is expecting the first rate cut to be delivered by November, while key risks today will be a slew of labour data, ISM-Services and the FOMC minutes.

**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	4.7040	4.7095	4.7190	4.7205	4.7260

## USD/SGD



### USD/SGD Neutral

USD/SGD opened flat at 1.3560 before trending up to 1.3570 at the point of writing. Daily outlook is neutral, in a tug of war between USD and SGD weaknesses, and in the absence of economic drivers on the Singapore front as well as US heads into holiday. We are eyeing trading range between 1.3591-1.3580 for this pair today.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3552	1.3561	1.3570	1.3580	1.3594

## MYR Crosses

### SGD/MYR

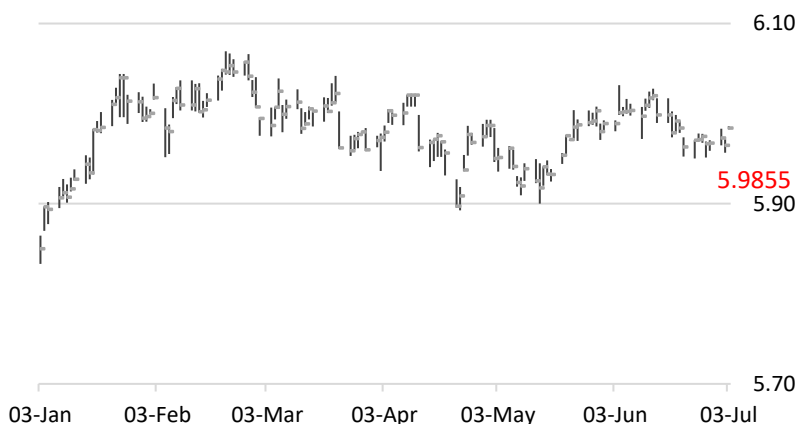


### SGD/MYR Neutral

SGD/MYR opened 0.20% higher at 3.4817 but quickly lost some of its lustre to trade at 3.4777 at the point of writing. Daily outlook is neutral, as we expect the higher opening to be offset by MYR strength, especially given that the drop in UST yields could whet risk appetite. This pair is expected to be traded within the 3.4724-3.4836 respectively.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4668	3.4724	3.4777	3.4836	3.4892

### GBP/MYR



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

GBP/MYR opened 0.36% higher at 5.9858 and has held steady at 5.9855 at the point of writing. Daily outlook is neutral-to-slightly bullish as the GBP/USD pair trades in positive territory for the fifth consecutive day above 1.2685 during the early Asian session. This pair is expected to face resistance at 5.9877 (R1) and 5.9917 (R2) as investors stay cautious ahead of the UK general election.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9758	5.9797	5.9855	5.9877	5.9917

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


AUD/MYR opened 0.21% higher at 3.1463 and trended up to 3.1493 at the point of writing. A slightly hawkish RBA minutes, as well as strong retail sales and housing data this morning is expected to lend support for AUD today, and with this, we have a neutral-to-slightly bullish outlook for this pair, facing R1 and R2 at 3.1516 and 3.1549 respectively.

	S2	S1	Indicative	R1	R
AUD/MYR	3.1406	3.1444	3.1493	3.1516	3.1549

Source: Bloomberg, HLBB Global Markets Research

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