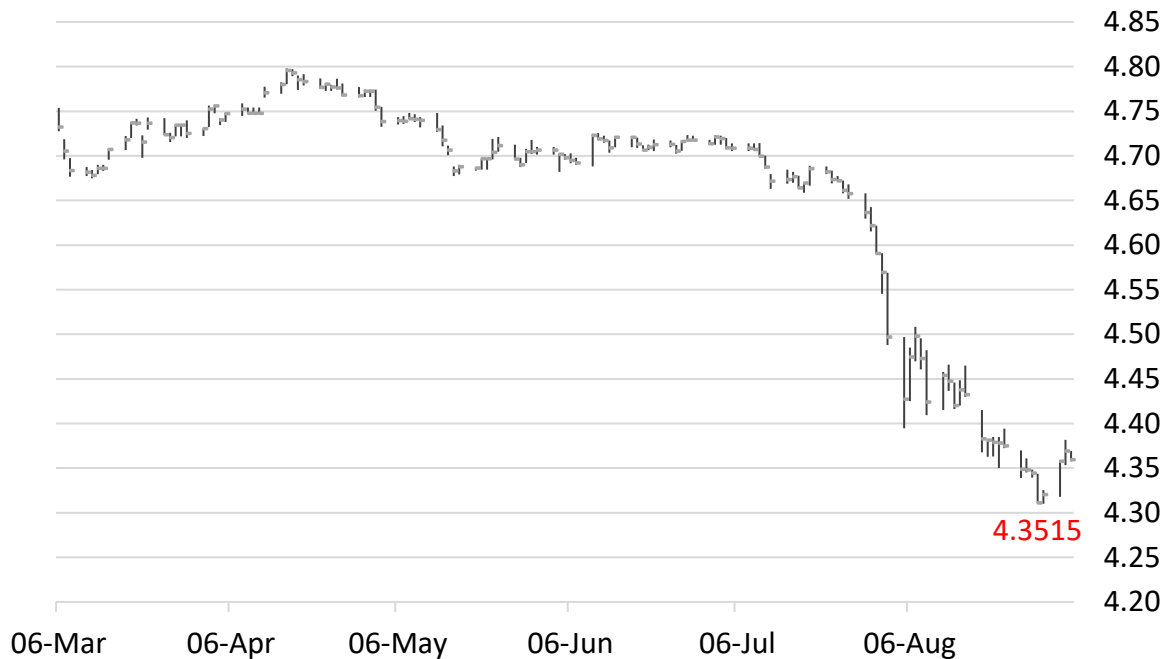


4 September 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bearish

USD/MYR opened 0.01% lower at 4.3685 and slid to 4.3515 at the point of writing. Daily outlook is neutral-to-slightly bearish in anticipation of a selling in the greenback following the weak ISM print overnight. Large price movements will nonetheless be capped given the highly tracked non-farm payrolls this week, but before that, we will be watching out for the JOLTS job-opening and Beige Book today. As it is, consensus is expecting job openings to ease slightly to 8.1m from 8.2m previously, while on the domestic front, BNM is set to deliver its monetary policy decision, where consensus is expecting a status quo for the OPR.

1-Month Outlook – USD/MYR Neutral

The USD/MYR outlook is neutral as the pair consolidates 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 | 4.3398 | 4.3457 | 4.3515 | 4.3632 | 4.3748 |

USD/SGD

USD/SGD Neutral

USD/SGD opened flat at 1.3071, narrowly traded within a 1.3060-1.3071 range before setting at 1.3070 at the point of writing. Daily outlook is neutral in a tug of war between USD and SGD weakness this morning. Any significant weakness for the SGD will nonetheless be capped today given the latest S&P PMI for Singapore continued echo the official government measure, with an uptick to 57.6 from 57.2 previously.



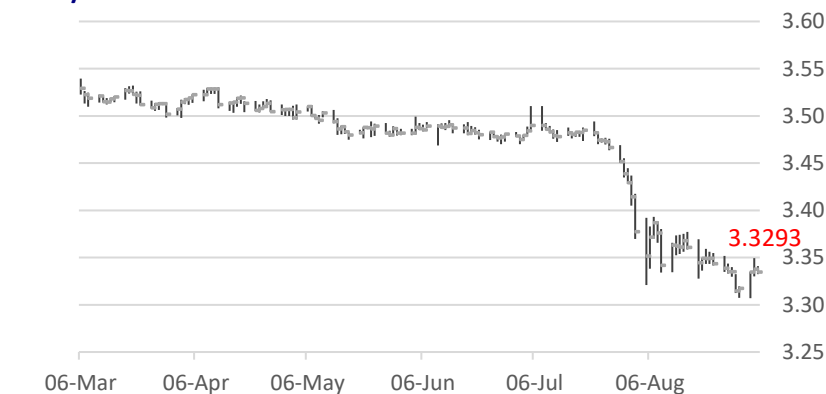
| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| USD/SGD | 1.3037 | 1.3054 | 1.3070 | 1.3089 | 1.3105 |

MYR Crosses

SGD/MYR

SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.17% higher at 3.3434 but pared its gains and more to trade at 3.3293 at the point of writing. Daily outlook is neutral-to-slightly bearish on account of MYR strength and SGD weakness, but losses likely capped given the risk-off sentiment in the financial markets.

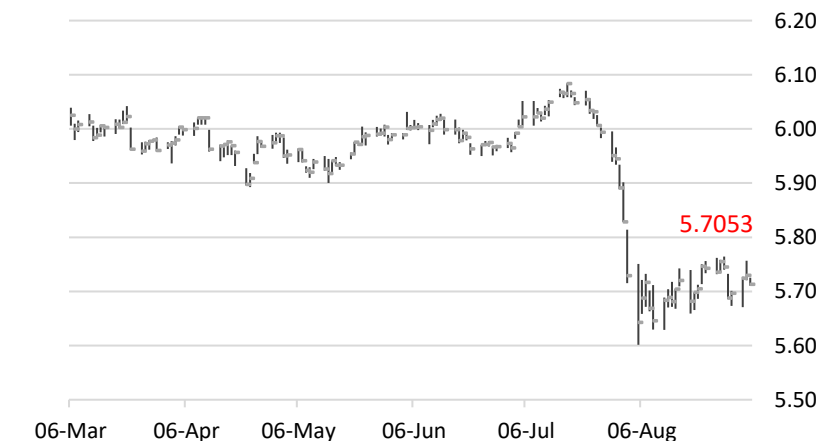


| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| SGD/MYR | 3.3147 | 3.3256 | 3.3293 | 3.3475 | 3.3584 |

GBP/MYR

GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.09% lower at 5.7246 before sliding to 5.7053 at the point of writing. Daily outlook is neutral-to-slightly bearish as GBP/USD softened to below 1.3100 at the point of writing. Next up on the UK front is the final revision to its Services PMIs, where expectations is that it will be left unchanged and still expansionary at 53.3.



| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| GBP/MYR | 5.6857 | 5.7008 | 5.7053 | 5.7310 | 5.7461 |

AUD/MYR



AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 0.39% lower at 2.9309 and plunged to 2.9145 at the point of writing. Daily outlook is neutral-to-slightly bearish as AUD/USD lost momentum below 0.6700 in early Asian trade on softer commodity price overnight and weaker than expected China's Caixin Services PMI. There was no surprises on the Aussie front however, with its 2Q matching expectations and holding steady at 0.2% q/q.

| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| AUD/MYR | 2.8835 | 2.9034 | 2.9145 | 2.9286 | 2.9572 |

Source: Bloomberg, HLBB Global Markets Research

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damansara

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email:

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