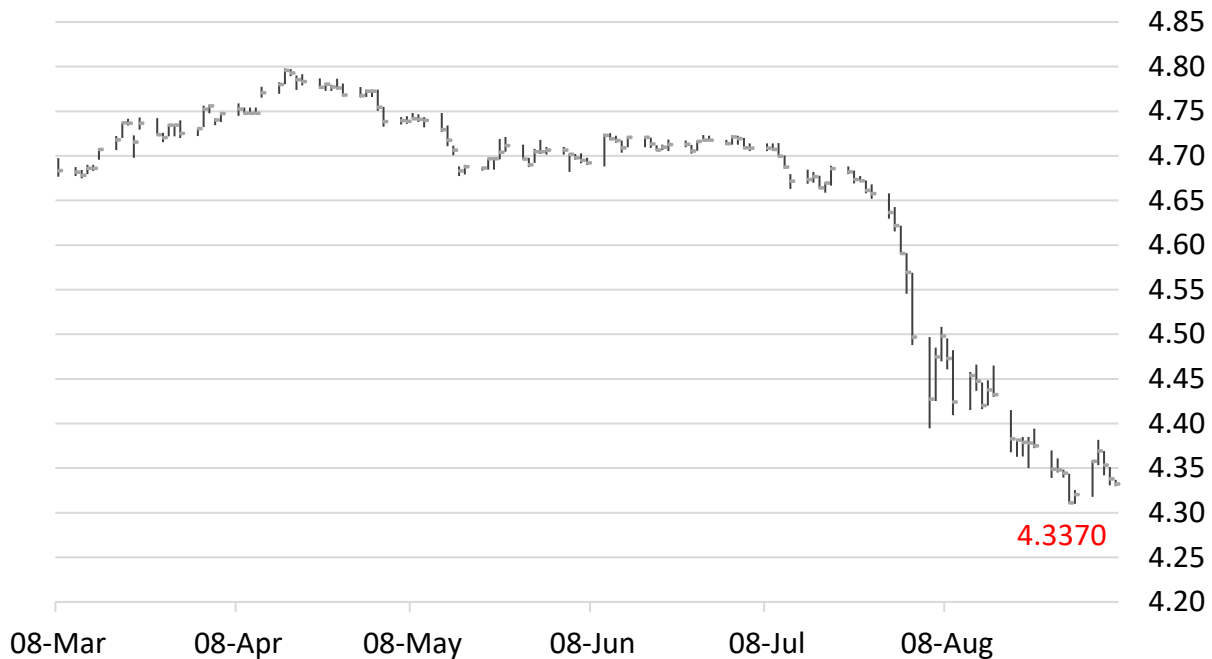


6 September 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral

USD/MYR opened 0.03% lower at 4.3368, traded within 4.3298-4.3387 before settling at 4.3370 at the point of writing. We prefer to stay neutral for this pair today as investors will be watching out for the US non-farm payroll and jobless rate data closely to gauge the depth of the Fed’s first rate cut this month. This data is especially pertinent given the slew of weaker hiring numbers and higher layoffs recently, the latest being the ADP print which showed that private payrolls slowed to its weakest since 2021. Despite this, consensus is looking for gains in non-farm payrolls to accelerate to 165k in August from 114 previously. Domestically, there are no major driver for this pair today after the BNM maintained its OPR and neutral stance overnight.

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	4.3200	4.3270	4.3370	4.3410	4.3479

USD/SGD

USD/SGD Neutral

USD/SGD opened flat at 1.3001, trade within the 1.2992-1.3011 range between settling at 1.3003 at the point of writing. We also prefer to stay neutral for this pair today despite the weak retail sales (ex-auto) print overnight, eyeing trading range between 1.2989 and 1.3017 today.



	S2	S1	Indicative	R1	R2
USD/SGD	1.2975	1.2989	1.3003	1.3017	1.3031

MYR Crosses

SGD/MYR

SGD/MYR Neutral

SGD/MYR opened 0.17% higher at 3.3376 but quickly lost of its lustre to trade at 3.3344 at the point of writing. We have a neutral outlook for this pair with investors largely reluctant to make big bets ahead of the NFP. With this, we are eyeing trading range between 3.3301-3.3411 today.

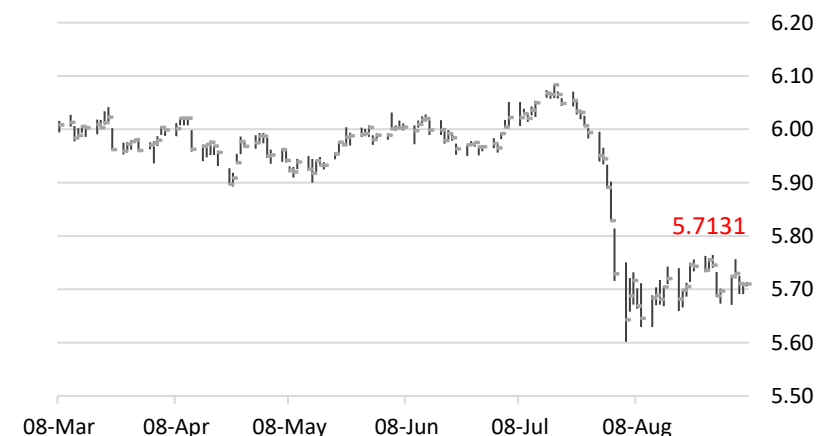


	S2	S1	Indicative	R1	R2
SGD/MYR	3.3245	3.3301	3.3344	3.3411	3.3467

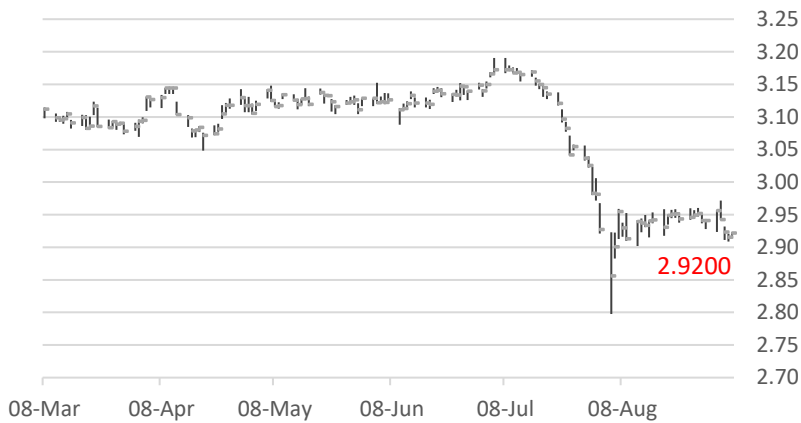
GBP/MYR

GBP/MYR Neutral

GBP/MYR opened 0.09% higher at 5.7135 but retreated slightly to 5.7131 at the point of writing. Daily outlook is neutral as the GBP/USD traded sideways around the 1.3200 level in early morning trade, eyeing trading range between 5.7009-5.7249 today.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.6888	5.7009	5.7131	5.7249	5.7370

AUD/MYR

AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.25% higher at 2.9226 but erased some of these gains to trade at 2.9200 at the point of writing. Daily outlook is neutral-to-slightly bullish after the AUD/USD pair traded higher following the stronger than expected home loans number from Australia this morning and a relative hawkish stance from RBA Governor Michele Bullock, where she commented that the RBA will struggle to maintain low unemployment if prices stay above its target level "indefinitely."

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9091	2.9149	2.9200	2.9265	2.9323

Source: Bloomberg, HLBB Global Markets Research

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