

8 November 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bearish

USD/MYR opened 0.15% lower at 4.3977 and slid to 4.3865 at the point of writing. Daily outlook is neutral-to-slightly bearish on MYR strength and USD weakness against most regionals this morning, but losses likely capped on concerns that Trump's tariffs could weigh on Asian currencies. Key risk for this pair today will be the University of Michigan Consumer Sentiment index in the US as well as IPI print on the local front, where expectations is US consumer sentiments to tick up and Malaysia industrial production to decelerate.

1-Month Outlook – USD/MYR Neutral

The USD/MYR outlook is neutral as traders continue to trade cautiously in the USD on uncertainties over the pace of rate cuts especially in view of Trump's potentially inflationary policies going forward and softer, but still resilient labour data released recently. That said, we believe increasing odds of a slower pace of Fed rate cuts especially going into 2025, will limit downside in the USD going forward. On the domestic front, the delay in the implementation of RON95 subsidy retargeting to mid-2025 will further push back upside risks to inflation, reaffirming our view for an extended pause in the OPR probably through next year. The prospects of narrowing in rate differentials, favourable economic outlook and domestic reforms, ongoing initiatives to encourage flows, will continue to support the MYR, despite likelihood of near-term volatility in the midst of political and policy noises in the US.

	S2	S1	Indicative	R1	R2
USD/MYR	4.3593	4.3749	4.3865	4.4060	4.4215

USD/SGD

USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.3201, traded within the 1.3198-1.3229 range before settling at 1.3216 at the point of writing. Daily outlook is neutral-to-slightly bullish given the uptick post opening, but gains will likely be capped in a tug of war between SGD and USD weakness against regionals.



	S2	S1	Indicative	R1	R2
USD/SGD	1.3152	1.3183	1.3216	1.3245	1.3276

MYR Crosses

SGD/MYR

SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.47% higher at 3.3348 but made a U-turn to trade below its flatline at 3.3164 at the point of writing. Daily outlook, is thus, neutral-to-slightly bearish as SGD lost its lustre in early Asian trade. Data wise, a strong MYR this morning could suggest that the IPI print at noon could potentially be higher than what consensus had expected.

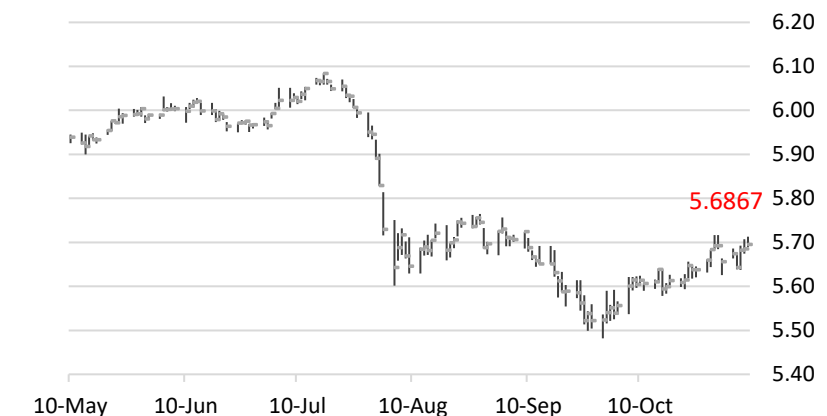


	S2	S1	Indicative	R1	R2
SGD/MYR	3.2886	3.3060	3.3164	3.3408	3.3582

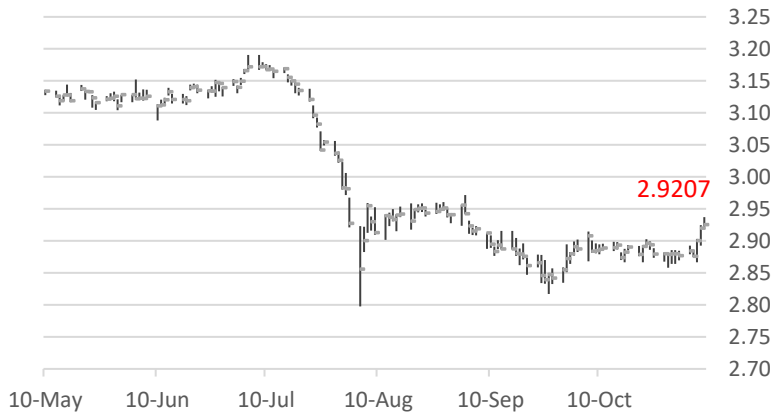
GBP/MYR

GBP/MYR Neutral

GBP/MYR opened 0.45% higher at 5.7101 before paring most of its gains to trade close to its previous close at 5.6867 at the point of writing. Daily outlook is neutral with the gains post opening expected to narrow through out the day given GBP weakness against regionals today.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.6479	5.6723	5.6867	5.7213	5.7458

AUD/MYR

AUD/MYR Neutral

AUD/MYR opened 0.54% higher at 2.9355 before losing some of this lustre to trade 2.9207 at the point of writing. Daily outlook is neutral pending the result of Malaysia's IPI print, eyeing trading range between 2.9079-2.9439 today. Notably, AUD weakened against most regionals in early Asian trade, especially since RBA officials commented that tariffs on China would hurt Australia's trade.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.8899	2.9079	2.9207	2.9439	2.9619

Source: Bloomberg, HLBB Global Markets Research

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