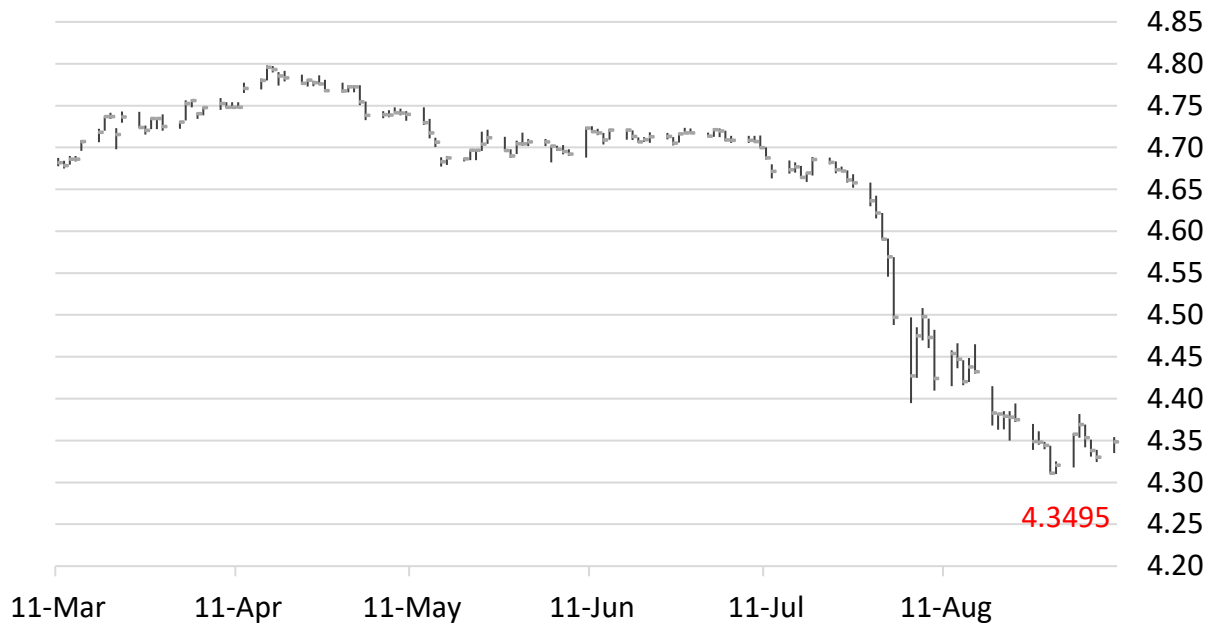


9 September 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

USD/MYR opened 0.11% higher at 4.3350 and strengthened to 4.3495 at the point of writing. Daily outlook is neutral-to-slightly bullish as G10 currencies appear to outperform regional peers in Asian morning trade, and as DXY strengthened to 101.22 at the point of writing following the uptick in US non-farm payroll data last Friday. Although the print was weaker than expected, this has scaled back risks of recession and left markets still divided on the pace of a rate cut in the September FOMC meeting. It will be data light on the US front today, but we will be watching out for the US CPI and PPI later this week as well as IPI on the local front.

1-Month Outlook – USD/MYR Neutral-to-Slightly Bullish

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 cooling labour prints, 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 25-50bps rate cuts in the September FOMC meeting and at least 4 rate cuts by end-2024 at the point of writing, narrowing the interest rate differentials between the US and Malaysia. This is, however, more aggressive than our expectations of 25bps in September and 75bps by end 2024, thus explaining our view that the USD will remain supported. 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	4.3078	4.3268	4.3495	4.3648	4.3838

USD/SGD



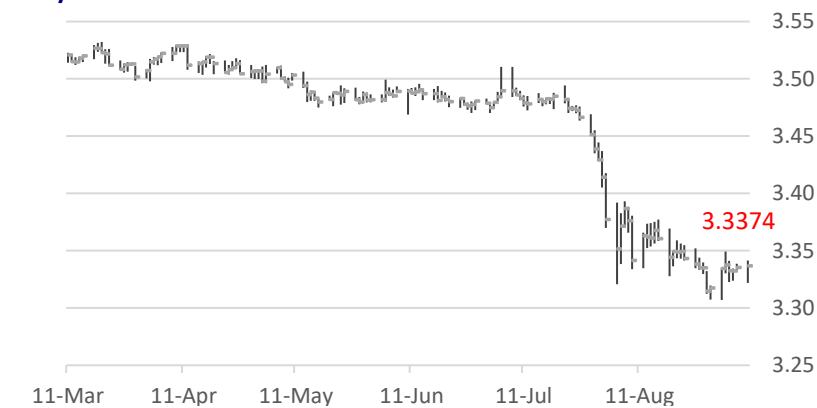
USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened 0.02% higher at 1.3029 and strengthened to 1.3032 at the point of writing. Daily outlook is neutral-to-slightly bullish given the upper trajectory post opening and the movements of the pair largely dictated by US events this week in the absence of economic events on the Singapore front. This pair is expected to face R1 and R2 and 1.3044 and 1.3058 respectively.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3002	1.3016	1.3032	1.3044	1.3058

MYR Crosses

SGD/MYR

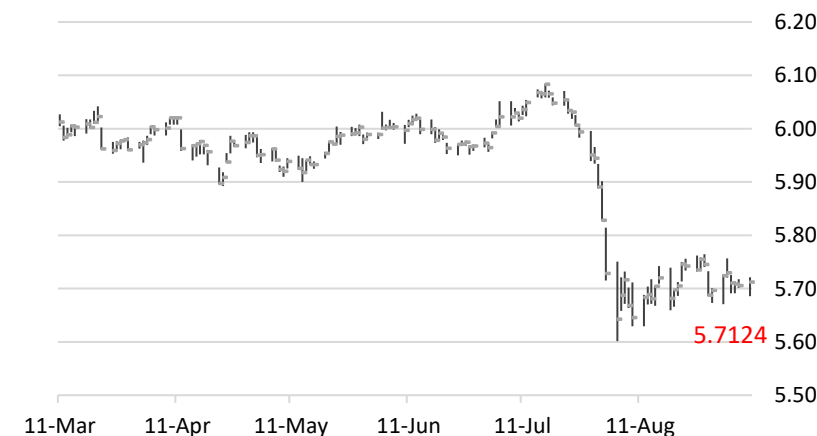


SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.38% lower at 3.3224 but pared its losses to trade at 3.3374 at the point of writing. Daily outlook is neutral-to-slightly bullish as expected risk-off environment will see SGD strengthening against its regional peers today, facing R1 and R2 at 3.3540 and 3.3747 respectively.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.2918	3.3125	3.3374	3.3540	3.3747

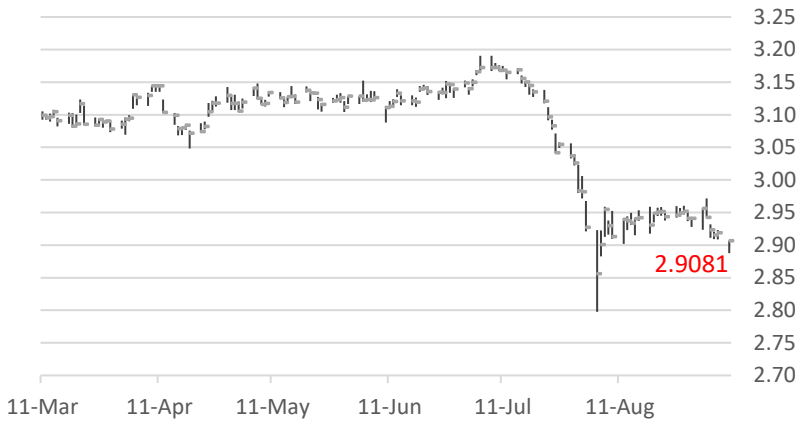
GBP/MYR



GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.33% lower at 5.6862 but quickly shed all its losses to trade near 5.7124 at the point of writing. Given broad G10 strength against regional currencies this morning, we have a neutral-to-slightly bullish outlook for this pair today. Potentially capping gains for this pair today is cautiousness ahead of the UK's monthly employment report, as well as manufacturing production and trade numbers this week.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6366	5.6722	5.7124	5.7431	5.7787

AUD/MYR

AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 1.05% lower at 2.8880 but erased some of its losses to trade at 2.9081 at the point of writing. We have a neutral-to-slightly bearish outlook for this pair today given the lower opening today as well as lingering deflation concerns in the China following its weaker-than-expected CPI and PPI prints. A quieter week lies ahead on the Aussie front with only consumer confidence and business confidence numbers on deck.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.8571	2.8794	2.9081	2.9236	2.8475

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:

DISCLAIMER

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis of a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter.

Potential and actual conflict of interest may arise from the activities of HLB Group. HLB Group constitute a diversified financial services group. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and other activities for their own account or the account of others. In the ordinary course of their business, HLB Group may effect transactions for their own account or for the account of their customers and hold long or short positions in the financial instruments. HLB Group, in connection with its business activities, may possess or acquire material information about the financial instruments. Such activities and information may involve or have an effect on the financial instruments. HLB Group have no obligation to disclose such information about the financial instruments or their activities.

The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favorable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.