

9 December 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

USD/MYR opened 0.02% higher at 4.4187 and strengthened to 4.4310 at the point of writing. Daily outlook is neutral-to-slightly bullish given the upper trajectory post-opening and risk-off sentiment amid the geopolitical tension in the Middle East, but gains likely capped given investors cautiousness ahead of the US CPI, the last piece of important data before FOMC’s decision next week. On the domestic front, October’s IPI is on deck tomorrow, which will give us more clues on how the economy has fared at the start of 4Q.

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

The USD/MYR outlook is neutral-to-slightly bearish in our view, largely reflecting some consolidation after the recent rally in greenback after Trump’s win, and as traders continue to trade cautiously in the USD on uncertainties over the pace of rate cuts in view of Trump’s potentially business friendly and inflationary policies going forward. While still healthy, labour data has inevitably cooled. Coupled with mixed economic data, there is no change in our view on easing monetary policy going forward, albeit at a slower than initially expected pace, narrowing the interest rate differentials between the US and Malaysia. On the domestic front, favourable economic outlook and 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, supportive of the MYR and our neutral-to-slightly bearish outlook.

	S2	S1	Indicative	R1	R2
USD/MYR	4.4038	4.4108	4.4310	4.4364	4.4527

USD/SGD



USD/SGD Neutral

USD/SGD opened 0.01% lower at 1.3426, traded within the 1.3408-1.3440 range before settling at 1.3424 at the point of writing. Daily outlook is neutral given a relatively light economic calendar, with only the New York Fed inflation expectations as well as wholesale trade and inventories scheduled for release in the US.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3332	1.3380	1.3424	1.3453	1.3478

MYR Crosses

SGD/MYR

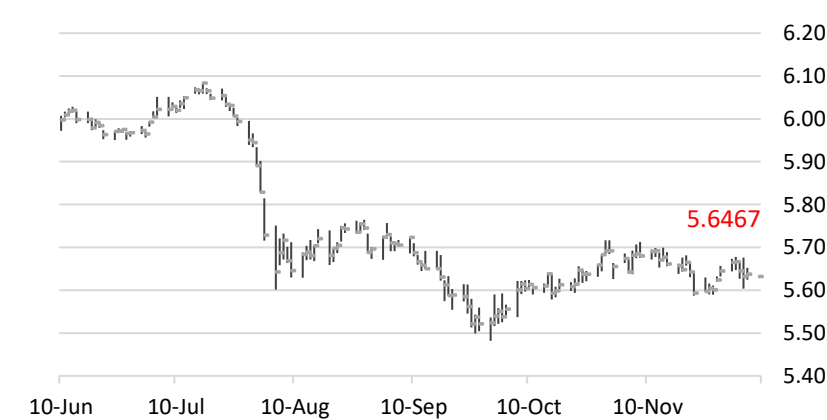


SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.10% lower at 3.2935 before paring all these gains and more to trade at 3.3015 at the point of writing. Daily outlook is neutral-to-slightly bullish given SGD strength, benefitting from a broadly risk-off mood in the financial markets. This pair, will nonetheless, face resistance at 3.3059 (R1) and 3.3148 (R2) today.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.2719	3.2862	3.3015	3.3059	3.3148

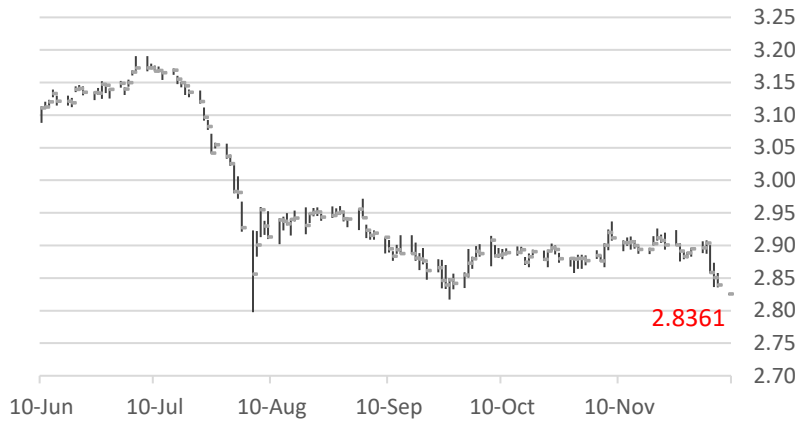
GBP/MYR



GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.10% lower at 5.6315 but rebounded above previous close to trade at 5.6467 at the point of writing. Daily outlook is, thus, neutral-to-slightly bullish, but facing R1 and R2 at 5.6512 and 5.6655 today. It will be a quiet week ahead on the UK front until the release of October's monthly GDP due end week. As it is, consensus is expected the economy to grow by 0.1% m/m after contracting 0.1% m/m previously.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6105	5.6237	5.6467	5.6512	5.6655

AUD/MYR

AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 0.45% lower at 2.8264 but erased some of these losses to trade at 2.8361 at the point of writing. Daily outlook is neutral-to-slightly bearish given the lower opening, but we expect these losses to narrow as AUD/USD pair gain grounds to around 0.6400 level post the mixed inflation prints in China. RBA's monetary policy decision is on deck tomorrow, and we expect the central bank to maintain the cash rate target unchanged at 4.35% in this meeting.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.7999	2.8220	2.8361	2.8527	2.8662

Source: Bloomberg, HLBB Global Markets Research

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