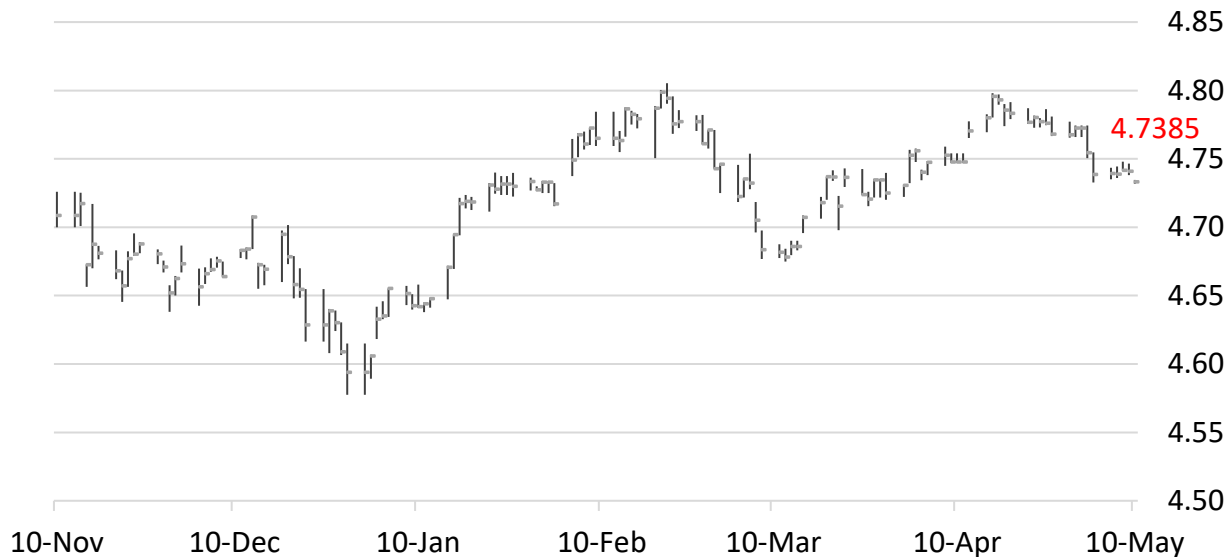


10 May 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral

USD/MYR opened 0.17% lower at 4.7330 before paring some of its losses to trade at 4.7385 at the point of writing. With this, we have a neutral outlook for this pair pending the release of Malaysia’s IPI and manufacturing sales which will give a prelude to the final 1Q GDP data due next week. On the US front, we will be watching closely for the University of Michigan Sentiment data for any dent in confidence after a slew of weaker labour data, the latest being the jobless claims, and more importantly, the inflation expectations component. Yesterday, BNM held OPR unchanged at 3.00% as expected and continued to maintain a neutral tone. The central bank also reiterated that the Ringgit does not reflect its fundamental value primarily distorted by external factors, and that coordinated efforts between BNM and GLCs/ GLICs as well as the corporate sector is gaining traction and has helped alleviate pressure on the Ringgit.

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

The USD/MYR outlook is neutral-to-slightly bearish as the upside for the DXY appeared to have peaked with the recent rise in the Dollar, amidst cooling signs of a labour market and after Fed Chair Jerome Powell hit a less than expected hawkish tone. Powell downplayed prospects of rate hikes despite the lack of further progress towards the 2% inflation objective in recent months, and with this, markets are now expecting Fed rate reductions to 1-2 cuts this year. Data wise, meanwhile, remains solid while price print points to uneven disinflation path. 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 should shield BNM from any OPR cut. The ongoing tension between Israel and Iran could benefit both the USD and MYR, the latter benefitting from the higher oil prices, while the former benefitting from a safe-haven bid in the forex market.

	S2	S1	Indicative	R1	R2
USD/MYR	4.7228	4.7293	4.7385	4.7423	4.7488

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3525 and inched up to as high as 1.3536 at the point of writing. Daily outlook is neutral, as this pair seemed to lose momentum at this level, and facing resistance at 1.3542 (R1) and 1.3559 (R2) respectively.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3500	1.3514	1.3536	1.3542	1.3559

MYR Crosses

SGD/MYR

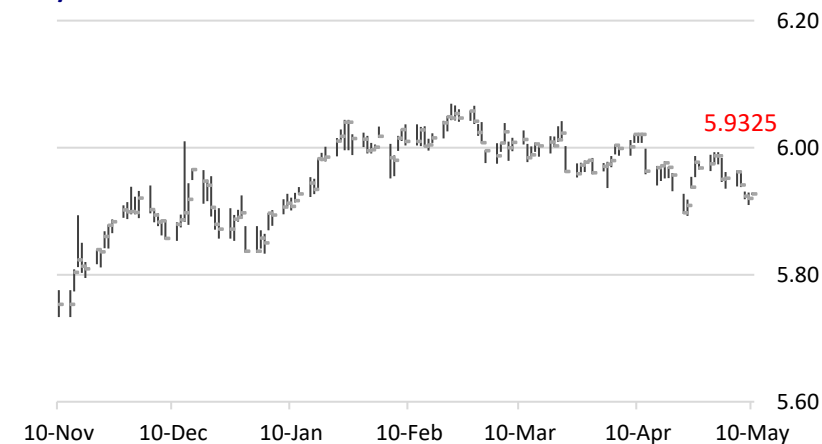


SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.30% higher at 3.5058 before paring some of its gains to trade at 3.5025 at the point of writing. Daily outlook is neutral-to-slightly bullish given the higher opening, but gains appeared to have lost its momentum. Upside is capped at 3.5094 (R1) for now.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4872	3.4946	3.5007	3.5094	3.5168

GBP/MYR



GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.14% higher at 5.9281 and strengthened to 5.9325 at the point of writing. Daily outlook is neutral-to-slightly bullish given the higher opening and upward momentum subsequent to that, but gains seen capped after the BoE's dovish hold.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9145	5.9225	5.9325	5.9385	5.9565

AUD/MYR

AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.48% higher at 3.1323. Daily outlook is neutral-to-slightly bullish given the higher opening. AUD/USD rallied 0.6% d/d overnight but has since pared some of its gains to trade below 0.6620 at the point of writing, capping gains for this pair at 3.1376 (R1) and 3.1422 (R2) respectively.

Cess	S2	S1	Indicative	R1	R2
AUD/MYR	3.1238	3.1284	3.1312	3.1376	3.1422

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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