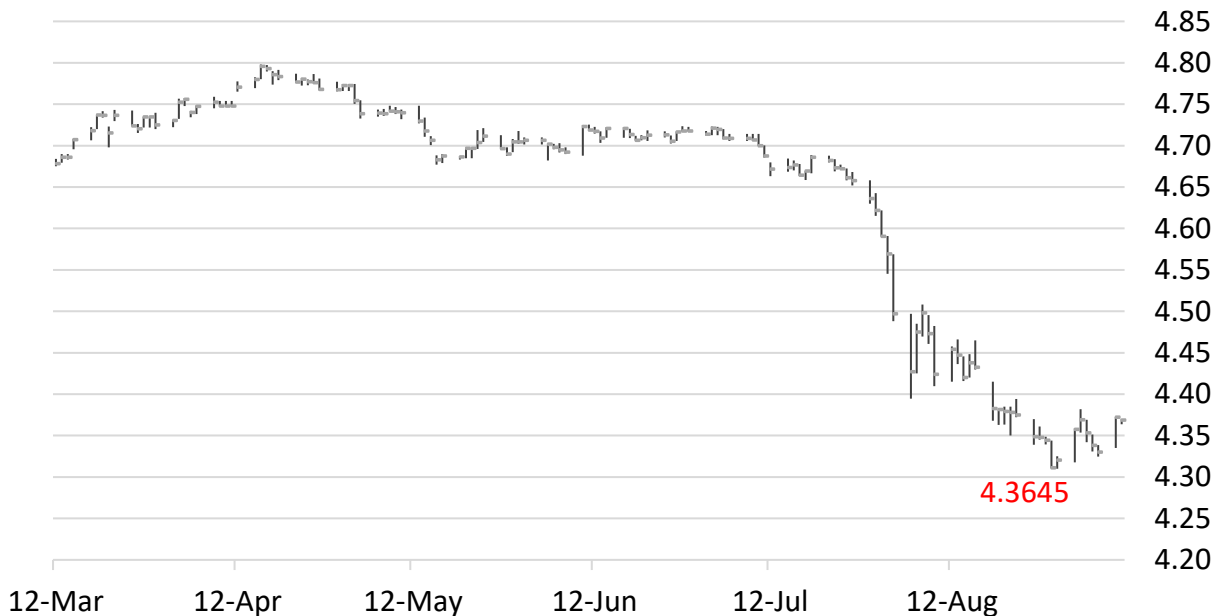


10 September 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bearish

USD/MYR opened 0.07% lower at 4.3690 and slid to 4.3645 at the point of writing. Daily outlook is neutral-to-slightly bearish as MYR outperformed its Asian peers and G10 currencies on the back of risk-on mood in the financial market. Further supporting our view is Deputy Governor Adnan Zaylani Mohamad Zahid’s signal that the central will most likely keep its OPR unchanged at 3.00% at this juncture amid a resilient economy and contained price pressures, but gains could be capped given nervousness ahead of US price prints later this week. Today, we will be watching out for the NFIB Small Business Optimism index as well as Malaysia’s IPI and manufacturing sales data.

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	4.3457	4.3610	4.3645	4.3736	4.3799

USD/SGD

USD/SGD Neutral-to-Slightly Bullish

USD/SGD flat at 1.3058 and rebounded to 1.3068 at the point of writing. Daily outlook is neutral-to-slightly bullish today on USD strength, driven by pared down rate cut bets overnight. This pair, will nonetheless, face resistance at 1.3080 (S1) and 1.3098 (S2) today.



	S2	S1	Indicative	R1	R2
USD/SGD	1.3026	1.3044	1.3068	1.3080	1.3098

MYR Crosses

SGD/MYR

SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.01% higher at 3.3475 but quickly retreated to 3.3396 at the point of writing. Daily outlook is neutral-to-slightly bearish on MYR strength today, possibly also signalling that IPI growth could out-beat consensus forecast today (+5.3% y/y vs +5.1% y/y). This pair will nonetheless face R1 and R2 at 3.3519 and 3.3602 respectively.

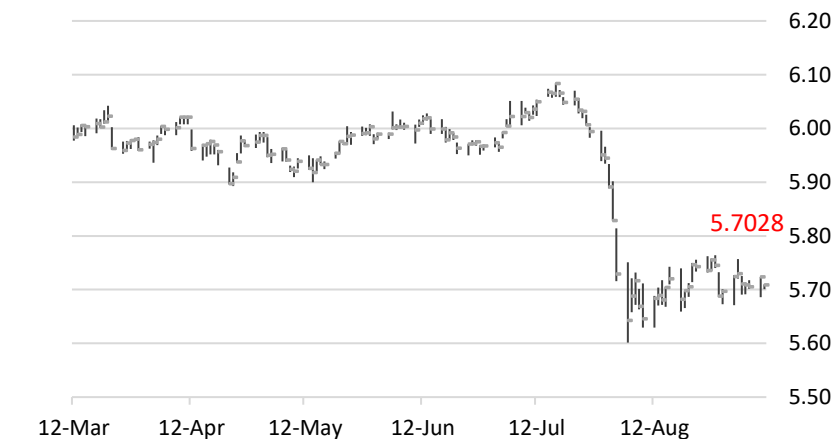


	S2	S1	Indicative	R1	R2
SGD/MYR	3.3270	3.3353	3.3396	3.3519	3.3602

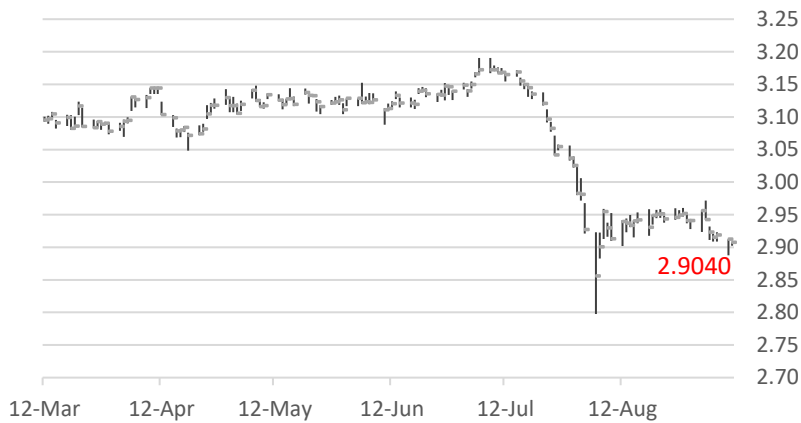
GBP/MYR

GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.30% lower at 5.7066 and slid to 5.7028 at the point of writing. Daily outlook is neutral-to-slightly bearish on MYR strength and as GBP/USD begins the Asian session in red at 1.3067 at the point of writing. We will, however, be watching out for the UK labour numbers today, where expectations are that the unemployment rate will inch down to 4.1% in July.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.6883	5.6970	5.7028	5.7144	5.7232

AUD/MYR
AUD/MYR Neutral-to-Slightly Bearish


AUD/MYR opened 0.18% lower at 2.9069 and slid to 2.9040 at the point of writing. Daily outlook is neutral-to-slightly bearish as AUD/USD declined to 0.6651 amid concerns over deflationary pressures in China as well as weaker Australia's business and consumer confidence prints this morning.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.8950	2.9000	2.9040	2.9100	2.9150

Source: Bloomberg, HLBB Global Markets Research

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