

13 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 0.01% lower at 4.4377 but quickly rebounded to 4.4525 at the point of writing. Daily outlook is neutral-to-slightly bullish as USD continued to strengthen against regional and G10 currencies this morning, the latter resulting in the DXY breaking above the 107-handle at the point of writing. Keeping USD supported, in our opinion, is anticipation of a hawkish Fed cut next week in view of Trump’s potentially inflationary policies as well as price prints recently, which showed that the disinflationary path has largely stalled.

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 meeting next week given Trump’s potentially inflationary policies. 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	4.4252	4.4317	4.4525	4.4558	4.4643

USD/SGD



USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.3469 before trending up to 1.3475 at the point of writing. Daily outlook is neutral-to-slightly bullish given USD strength, facing R1 and R2 at 1.3490 and 1.3511 today. US import prices for November are on deck today, where expectations is that it will accelerate to 1.0% y/y from 0.8% y/y previously.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3397	1.3433	1.3475	1.3490	1.3511

MYR Crosses

SGD/MYR

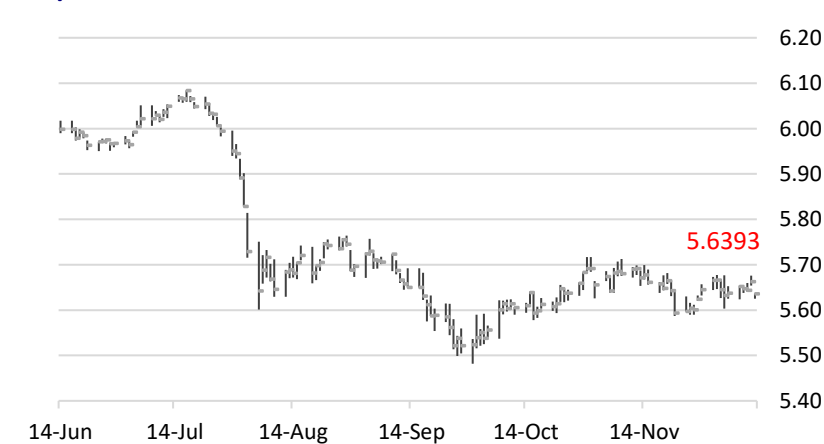


SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.26% lower at 3.2947 but quickly erased all these losses and more to trade at 3.3049 at the point of writing. Daily outlook is neutral-to-slightly bullish given SGD strength against regionals, benefitting from cautiousness ahead of the FOMC meeting next week.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.2569	3.2746	3.3049	3.3079	3.3124

GBP/MYR



GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.66% lower at 5.6250 before paring some of these losses to trade at 5.6393 at the point of writing. Daily outlook is neutral-to-slightly bearish after GBP/USD lost its grip, trading below the 1.2700 handle at the point of writing. UK's monthly GDP for November is on deck today, and this poses the greatest risk for the pair today.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6012	5.6200	5.6393	5.6742	5.6860

AUD/MYR

AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 0.71% lower at 2.8269 before rebounding to 2.8304 at the point of writing. Daily outlook is neutral-to-slightly bearish given the lower opening and as AUD/USD trades in red at 0.6357 at the point of writing, but losses likely capped given that Aussie sovereign bond yields have trended up since the better than expected labour prints.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.7859	2.8139	2.8304	2.8585	2.8688

Source: Bloomberg, HLBB Global Markets Research

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