

14 June 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 4.7098 and strengthened to 4.7143 at the point of writing. Daily outlook is neutral-to-slightly bullish given that haven currencies like USD were the notable winners overnight, and as USD continues to feel the rumble from a relatively hawkish dot plot, which saw upwards revisions in its PCE prices as well as longer-term Fed fund rates. Today, we will be looking out for another set of price data, with import prices and University of Michigan inflationary expectations set to moderate, but the consumer sentiment index expected to inch up to 72.0 in June from 69.1 previously, providing some support for the greenback as well.

1-Month Outlook – USD/MYR Neutral

The USD/MYR outlook is neutral as the upside for the DXY appeared to have peaked with the recent rise in the Dollar, amidst cooling-but-still resilient signs of a labour market, forward looking data that suggests gradual weakening in economic conditions in 2Q, but also an uneven disinflation path which should keep rate cut expectations and marked weakening in the Dollar, in check. 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 in the Middle-east 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	4.6997	4.7067	4.7143	4.7208	4.7278

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3511, traded within 1.3508-1.3516 before settling at 1.3513 at the point of writing. Daily outlook is neutral, with haven bid expected to benefit both currencies and eyeing trading range between 1.3504-1.3521. Next key risk for this pair on the local front is the NODX data next week, where expectations is that it will fall at a narrower pace of 0.6% y/y in May from -9.3% y/y previously.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3496	1.3504	1.3513	1.3521	1.3530

MYR Crosses

SGD/MYR



SGD/MYR Neutral

SGD/MYR opened 0.16% lower at 3.4849 but quickly pared its losses to trade at 3.4893 at the point of writing. Daily outlook is neutral, with the loss from the lower opening set to narrow given SGD strength against regionals. With this, we are looking at a trading range between 3.4818-3.4946 today.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4754	3.4818	3.4893	3.4946	3.5010

GBP/MYR



GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.22% lower at 6.0066 but pared its losses to trade at 6.0148 at the point of writing. Daily outlook is neutral-to-slightly bearish as the GBP/USD pair edged lower below 1.2760 after three consecutive sessions of gain during the early Asian session. We will see the release of BOE/Ipsos inflation expectations data today ahead of the CPI and PPI prints next week.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9940	6.0025	6.0148	6.0195	6.0280

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


AUD/MYR opened 0.30% lower at 3.1233 but pared some of its losses to trade at 3.1289 at the point of writing. Daily outlook is neutral-to-slightly bearish as AUD/USD remains weak below 0.6640 despite the strong labour data. Investors, will nonetheless, remain cautious ahead of the RBA's decision next week, where expectations are that it will remain status quo at 4.35%.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1158	3.1223	3.1289	3.1322	3.1355

Source: Bloomberg, HLBB Global Markets Research

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