

14 August 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bearish

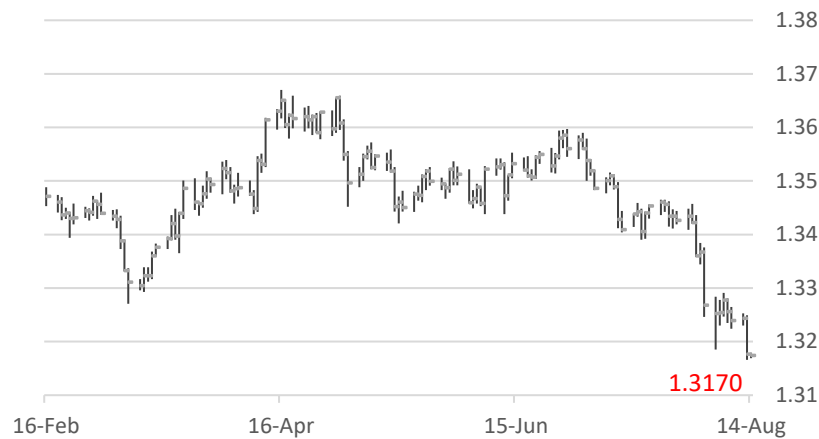
USD/MYR opened 0.03% lower at 4.4458 and slid to 4.4163 at the point of writing. Daily outlook is neutral-to-slightly bearish as continued retreat in US inflationary pressures bolstered expectations that the Fed is on track to deliver a 100bps worth of rate reductions by year end, sending UST yields lower and boosting appetite for risky assets, all not supportive of the Dollar. Meanwhile, expectations of a better 2Q GDP print for Malaysia due on Friday also lend some support for the Ringgit today, in a double whammy for this pair today.

1-Month Outlook – USD/MYR Neutral

The USD/MYR outlook is neutral given its slightly oversold position, which will more than offset expectations of broad USD weakness going forward, the latter weighed down by a much softer labour data prints in July, further signs of disinflation and gradual weakening in economic conditions in 3Q. This has sent markets pencilling in at least 3 rate cuts by end-2024 at the point of writing, narrowing the interest rate differentials between the US and Malaysia. 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.

	S2	S1	Indicative	R1	R2
USD/MYR	4.3832	4.4072	4.4163	4.4552	4.4792

USD/SGD



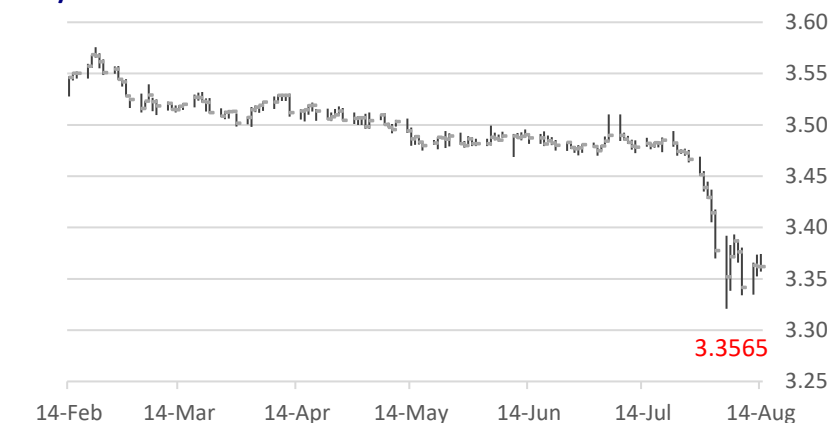
USD/SGD Neutral-to-Slightly Bearish

USD/SGD opened flat at 1.3176 and slid to 1.3170 at the point of writing. Daily outlook is neutral-to-slightly bearish on the back on USD weakness, but losses seen capped at 1.3164 (S1) and 1.3154 (S2) given its oversold position. Key risk today is the upcoming US CPI, where expectations it that it will stay unchanged at 3.0% y/y for headline but ease slightly to 3.2% for core.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3154	1.3164	1.3170	1.3184	1.3196

MYR Crosses

SGD/MYR

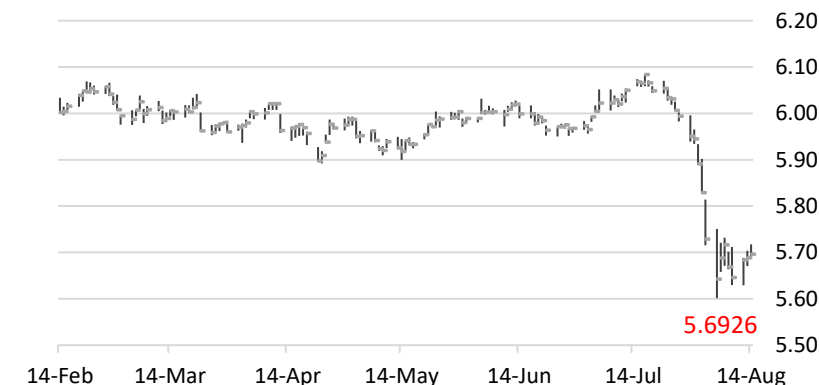


SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.43% higher at 3.3764 but quickly made a U-turn to 3.3565 at the point of writing. Given the downward trajectory post opening, we have a neutral-to-slightly bearish outlook for this pair, eyeing S1 and S2 at 3.3441 and 3.3281 respectively. Friday will be a crucial day for this cross, with Malaysia's final 2Q GDP and Singapore's NODX on deck.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.3241	3.3441	3.3565	3.3841	3.4041

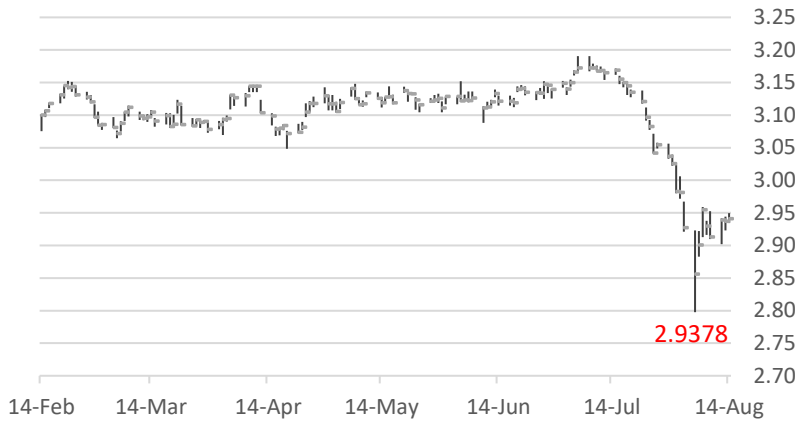
GBP/MYR



GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.51% higher at 5.7175 before paring some of its gains to trade at 5.6926 at the point of writing. Daily outlook is neutral-to-slightly bullish as GBP/USD rallied to 1.2864 at the point of writing on signs of a still robust market, thus drying rate cut expectations. Next on deck is the upcoming price prints, where expectations is that it will accelerate to 2.3% for headline but ease to 3.4% for core.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6606	5.6763	5.6926	5.7124	5.7331

AUD/MYR

AUD/MYR Neutral

AUD/MYR opened 0.44% higher at 2.9497 but quickly lost its lustre to retreat near its previous close at 2.9378 at the point of writing. Daily outlook is neutral in a tug of war between MYR and AUD strength, with the latter being supported by the elevated wage data and risk-on appetite.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9109	2.9260	2.9378	2.9562	2.9712

Source: Bloomberg, HLBB Global Markets Research

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