

14 November 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts - Slightly Bullish

USD/MYR opened 0.16% higher at 4.4542 and trended up to 4.4735 at the point of writing. Daily outlook is slightly bullish on USD strength and MYR weakness today, the latter in line with the slump in regional currencies on concerns that trades will be negatively impacted by Trump’s protectionist policies. On the US front, the DXY has also held firmly above the 106-handle despite heightened expectations of rate cuts in December, as still elevated wages and headwinds from Trump’s policies will likely limit the path of the disinflation process and interest rate cuts going forward. Next up is the US PPI, where consensus is expecting both headline and core to tick up in October, another reason why USD will be kept supported today. On top of that, Fed speaks most notably from Powell will be closely scrutinized.

1-Month Outlook – USD/MYR Neutral

The USD/MYR outlook is neutral as traders continue to trade cautiously in the USD on uncertainties over the pace of rate cuts especially in view of Trump’s potentially inflationary policies going forward and softer, but still resilient labour data released recently. That said, we believe increasing odds of a slower pace of Fed rate cuts especially going into 2025, will limit downside in the USD going forward. On the domestic front, 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. The prospects of narrowing in rate differentials, favourable economic outlook and domestic reforms, ongoing initiatives to encourage flows, will continue to support the MYR, despite likelihood of near-term volatility in the midst of political and policy noises in the US.

	S2	S1	Indicative	R1	R2
USD/MYR	4.4240	4.4356	4.4735	4.4754	4.5011

USD/SGD



USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.3428 before trending up to 1.3450 at the point of writing. Daily outlook is neutral-to-slightly bullish on USD strength. However, the pair is trading near its overbought position and will likely cap gains with resistances at 1.3500 ((R1) and 1.3601 (S2) respectively.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3197	1.3298	1.3450	1.3500	1.3601

MYR Crosses

SGD/MYR

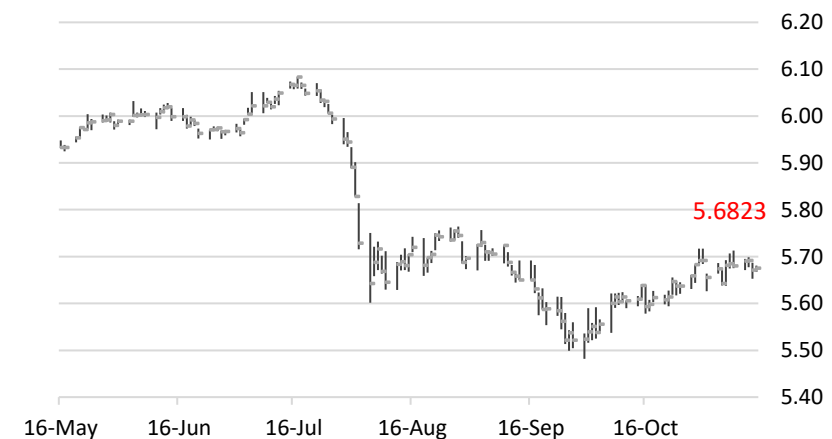


SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.43% lower at 3.3120 but erased all its losses and more to trade at 3.3271 at the point of writing. Daily outlook is neutral-to-slightly bullish given the upward trajectory post opening and a risk-off environment which will likely benefit SGD rather than MYR today. It will be an empty economic calendar today, but we will be watching out for Malaysia's 3Q GDP tomorrow.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.2867	3.3053	3.3271	3.3425	3.3611

GBP/MYR



GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.07% lower at 5.6672 before rebounding to 5.6823 at the point of writing. Daily outlook is neutral-to-slightly bullish on GBP strength against regionals this morning, coming soon after BOE's Catherine Mann's comment that UK inflation has yet to be defeated. On the UK side, traders will be settling in for a wait for Friday's 3Q GDP print, which is expected to show a slower growth of +0.2% q/q for the quarter, a tad slower than +0.5% previously.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6362	5.6536	5.6823	5.6877	5.7044

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.32% lower at 2.8959 before narrowing its losses to trade at 2.9017 at the point of writing. Daily outlook is neutral for this pair today, with the lower opening offset by AUD strength this morning, the latter supported by softer but still relatively decent labour prints this morning. We are eyeing trading range between 2.8838-2.9246 today with the next risk being minutes to RBA's latest policy meeting due next week.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.8634	2.8838	2.9017	2.9246	2.9450

Source: Bloomberg, HLBB Global Markets Research

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