

15 July 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 4.6725 before strengthening to 4.6775 at the point of writing. We have a neutral-to-slightly bullish outlook for this pair on signs of profit taking, as well as a strong USD supported by Trump win bets as well the uptick in PPI prints last Friday. Quite a bit ahead in the pipeline data wise this week, with June’s trade data and 2Q GDP on deck on the domestic front and the Beige Book and housing indicators on the US front.

1-Month Outlook – USD/MYR Neutral-to-Slightly Bearish

The USD/MYR outlook is neutral-to-slightly bearish 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. Nonetheless, Fed officials have repeated stressed the need for more good data on the inflation front, and as such, this 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	4.6532	4.6660	4.6775	4.6858	4.6915

USD/SGD



USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened 0.09% higher at 1.3421 and strengthened to 1.3427 at the point of writing. Daily outlook is neutral-to-slightly bullish with the key risk being the NODX data for June on the Singapore front this week. This pair will face R1 and R2 at 1.3446 and 1.3465 today, with gains largely capped by expectations that the US is still on track on for an easing policy bias.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3408	1.3420	1.3427	1.3446	1.3465

MYR Crosses

SGD/MYR

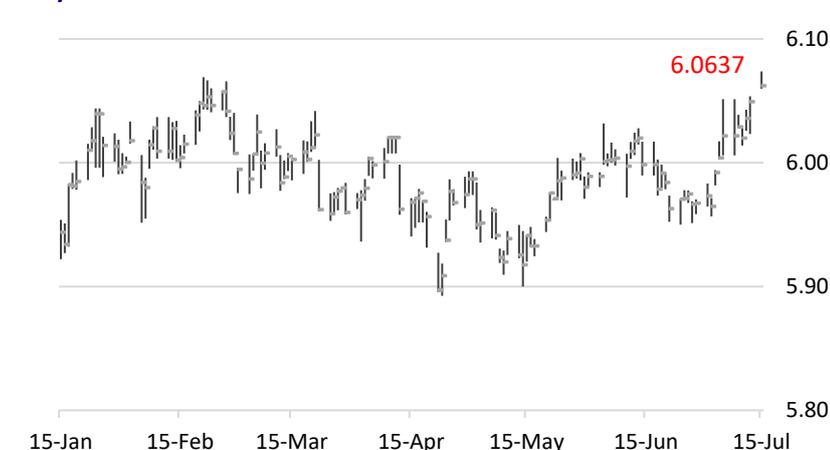


SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.05% higher at 3.4798 and strengthened to 3.4838 at the point of writing. Given the higher opening and upper trajectory subsequent to that, we have a neutral-to-slightly bullish outlook for this pair, facing resistance at 3.4882 (R1) and 3.4921 (R2) respectively.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4673	3.4756	3.4838	3.4882	3.4921

GBP/MYR



GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.05% higher at 6.0603 and trended up to 6.0637 at the point of writing. Daily outlook is neutral-to-slightly bullish with investors keeping a watchful eye on the upcoming UK CPI and labour data due for release, both of which will weigh heavily on BOE's next monetary policy meeting in August.

	S2	S1	Indicative	R1	R2
GBP/MYR	6.0398	6.0529	6.0637	6.0742	6.0811

AUD/MYR

AUD/MYR Neutral

AUD/MYR opened 0.01% lower at 3.1647 before making a U-turn to 3.1655 at the point of writing. Daily outlook is neutral as we expect risk sentiment to be largely cautious ahead of the release of China's GDP print today as well as Australia's labour data later in the week.

	S2	S1	Indicative	R1	R
AUD/MYR	3.1511	3.1592	3.1655	3.1754	3.1836

Source: Bloomberg, HLBB Global Markets Research

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