

17 May 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral

USD/MYR opened 0.02% higher at 4.6840, traded within 4.6823-4.6900 before settling at 4.6848 at the point of writing. We prefer to stay neutral pending the release of Malaysia’s final 1Q GDP print where consensus is expecting it to be left unchanged at +3.9% y/y after 4Q’s +3.0% y/y. It will also be tug of war between MYR and USD strength, the latter as DXY trended up further to 104.60 at the point of writing amidst a retreat in risk appetite, and as traders repriced rate cuts after the higher-than-expected import prices and Fed chatters on “keeping rates steady until inflation recedes”.

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 signs of a labour market, forward looking data that suggests gradual weakening in economic conditions in 2Q and after Fed Chair Jerome Powell and May FOMC meeting hit a less than expected hawkish tone despite an uneven disinflation path. This comes after US price prints continue to come in hotter than expected, while inflation expectations also unexpectedly spiked. 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 between Israel and Iran 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	4.6743	4.6806	4.6848	4.6931	4.6993

USD/SGD



USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.3460 and trended up to 1.3476 at the point of writing. Daily outlook is neutral-to-slightly bullish, hit by double whammy of USD strength, and SGD potentially weighed down by weaker than expected NODX data this morning.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3428	1.3448	1.3476	1.3488	1.3508

MYR Crosses

SGD/MYR

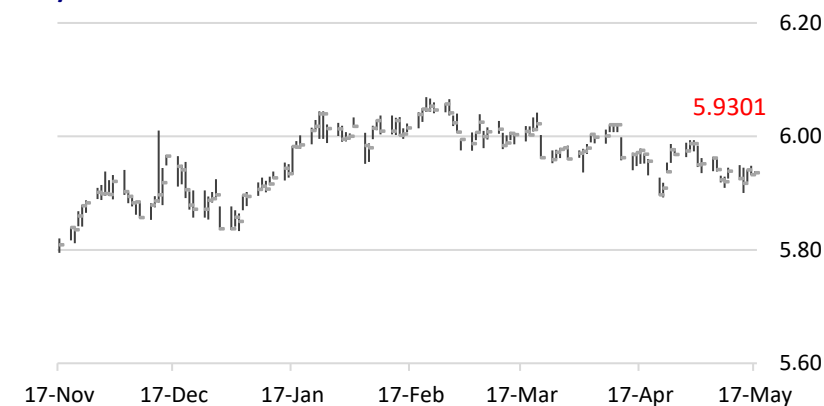


SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.10% lower at 3.4796 and slid to 3.4765 at the point of writing. Daily outlook is neutral-to-slightly bearish in anticipation of SGD weakness after the drop in NODX data, but with trading expected to be within a narrow range until the release of Malaysia's 1Q GDP. With this, we expect this pair to be supported at 3.4736 (S1) and 3.4669 (S2).

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4669	3.4736	3.4765	3.4870	3.4938

GBP/MYR



GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.02% higher at 5.9341 but quickly pared its gains and more to trade at 5.9301 at the point of writing. Daily outlook is neutral-to-slightly bearish on MYR strength and as GBP/USD slipped to 1.2657 at the point of writing after BOE's Megan Greene said that inflation persistence has waned.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9096	5.9206	5.9301	5.9426	5.9536

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


AUD/MYR opened 0.05% higher at 3.1294 but quickly retreated to 3.1247 at the point of writing. Daily outlook is neutral-to-slightly bearish after the AUD/USD snapped its winning streaks recently to 0.6668 at the point of writing after the mixed employment data.

Cess	S2	S1	Indicative	R1	R2
AUD/MYR	3.1115	3.1197	3.1242	3.1361	3.1443

Source: Bloomberg, HLBB Global Markets Research

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