

18 June 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bearish

USD/MYR opened 0.01% lower at 4.7203 and slid to 4.7150 at the point of writing. Daily outlook is neutral-to-slightly bearish as a broadly risk-on tone will benefit MYR rather than USD today, but we expect any losses to be largely capped given the flurry of central bank decisions this week, Fed speaks and economic data starting with the retail sales today, where expectations is that it will pick up and chart a 0.3% m/m growth for May as compared to flat sales the prior month.

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	4.6937	4.7040	4.7150	4.7246	4.7349

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3520, slid to as low as 1.3512 before rebounding to as high as 1.3524 after Singapore released a better-than-expected NODX data for the month of May this morning. This pair, has nonetheless, retreated slightly to 1.3522 at the point of writing and given its tight trading range this morning, we have a neutral outlook for this pair, eyeing trading range between 1.3534-1.3548 respectively.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3506	1.3514	1.3522	1.3534	1.3548

MYR Crosses

SGD/MYR

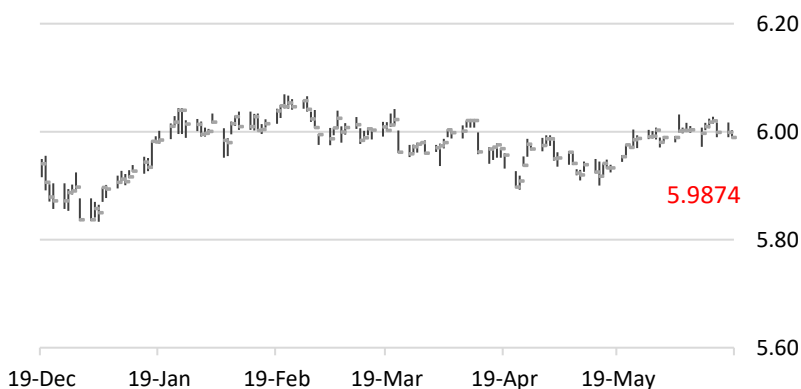


SGD/MYR Neutral

SGD/MYR opened 0.18% higher at 3.4934 but quickly pared its gains to trade at 3.4867 at the point of writing. We have a neutral outlook for this pair today, with a bearish bias given MYR strength this morning. Next key risk for this pair will be Malaysia's trade numbers scheduled for Thursday in the absence of further economic data on the Singapore front.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4667	3.4775	3.4867	3.4991	3.5099

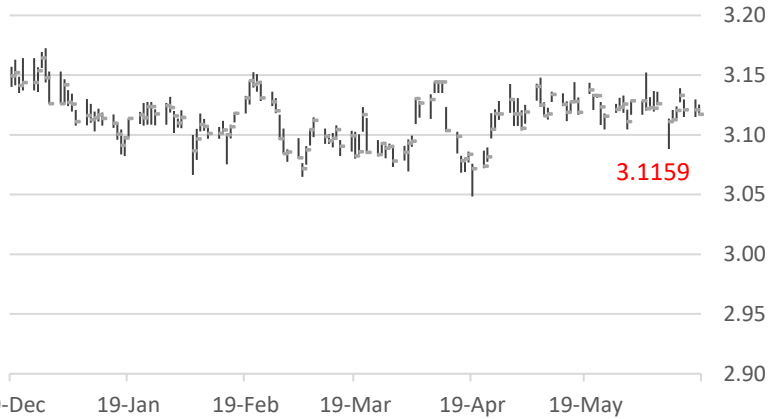
GBP/MYR



GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.05% higher at 6.0016 before paring all its losses to trade at 5.9874 at the point of writing. Daily outlook is neutral-to-slightly bearish on account of MYR strength, while GBP/USD stabilized around the 1.2700 level in early morning trade. A busy week lies ahead, with price prints for May due before the BOE decision, and thus, limiting any losses for this pair today.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9592	5.9746	5.9874	6.0107	6.0278

AUD/MYR

AUD/MYR Neutral

AUD/MYR opened 0.11% higher at 3.1242 before reversing all its gains to trade below previous close at 3.1159 at the point of writing. We prefer to stay neutral ahead of the RBA decision today and Governor Michele Bullock's press conference subsequent to that. As it is, the RBA is likely to keep the cash rate target unchanged at 4.35%.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1002	3.1101	3.1159	3.1237	3.1396

Source: Bloomberg, HLBB Global Markets Research

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