

18 December 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

USD/MYR opened 0.10% lower at 4.4627 before paring these losses and more to trade at 4.4755 at the point of writing. Daily outlook is neutral-to-slightly bullish in anticipation that the Fed will deliver a hawkish cut today, especially since retail sales surprised on the upside overnight painting a resilient picture for the US economy. On the local front, MYR also traded on a weaker note stoking our concerns that trade data, due to be released at noon, may underperform consensus forecasts.

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

The USD/MYR outlook is neutral-to-slightly bearish in our view, largely reflecting some consolidation after the recent rally in greenback after Trump’s win, and as traders continue to trade cautiously in the USD on uncertainties over the pace of rate cuts in view of Trump’s potentially business friendly and inflationary policies going forward. While still healthy, labour data has inevitably cooled. Coupled with mixed economic data, there is no change in our view on easing monetary policy going forward, albeit at a slower than initially expected pace, narrowing the interest rate differentials between meeting next week given Trump’s potentially inflationary policies. the US and Malaysia. On the domestic front, favourable economic outlook and 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, supportive of the MYR and our neutral-to-slightly bearish outlook.

	S2	S1	Indicative	R1	R2
USD/MYR	4.4280	4.4476	4.4755	4.4824	4.4976

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3500 before trending up slightly to 1.3503 at the point of writing. We are neutral for this pair today as investors are unlikely to make big bets until the FOMC meeting decision and Fed Chair Jerome Powell's press conference subsequent to that. The dot plot will also accompany today's statement, and will give us more clues on Fed's outlook for the economy next year.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3439	1.3469	1.3503	1.3529	1.3559

MYR Crosses

SGD/MYR

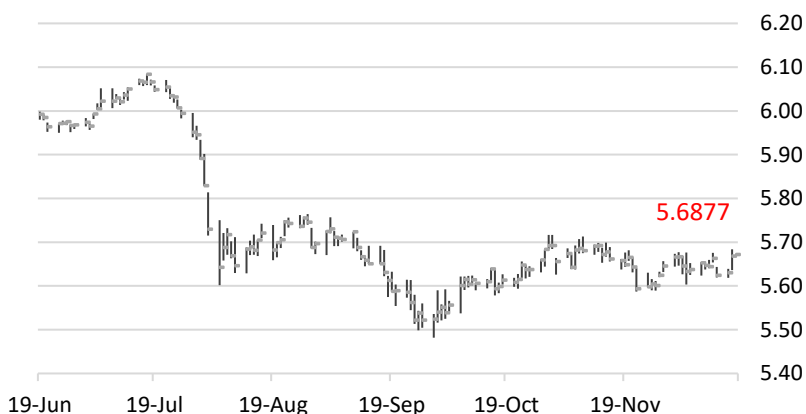


SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.07% higher at 3.3093 and strengthened further to 3.3144 at the point of writing. Daily outlook is neutral-to-slightly bullish given the higher opening and upper trajectory subsequent to that, facing R1 and R2 at 3.3181 and 3.3292 today. As mentioned, Malaysia's trade data is on deck at noon and expectations are that both export and import growth will pick up pace to 1.9% y/y and 3.7% y/y for November.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.2800	3.2935	3.3144	3.3181	3.3292

GBP/MYR



GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.07% higher at 5.6716 and surged to 5.6877 at the point of writing. Daily outlook is neutral-to-slightly bullish as the stronger than expected UK wage growth overnight reaffirm bets that the BOE will most likely maintain status quo tomorrow and that future rate cuts will be gradual, sending gilt yields jumping and supporting the GBP today. That said, UK CPI is on deck today and this could potentially pose a risk to our call.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6152	5.6415	5.6877	5.7100	5.7574

AUD/MYR

AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 0.16% lower at 2.8285 before erasing some of these losses to trade at 2.8312 at the point of writing. Daily outlook is neutral-to-slightly bearish as AUD/USD trades in red below 0.6340 in early Asian trade. Data this morning, meanwhile, showed that the economic momentum, using the Leading Index as a gauge, may decelerate going forward and this does not bode well for AUD today as well.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.7934	2.8131	2.8312	2.8428	2.8525

Source: Bloomberg, HLBB Global Markets Research

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