

19 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 0.05% lower at 4.7110 and slid further to 4.7083 at the point of writing. We have a neutral-to-slightly bearish outlook for this pair on MYR strength, benefitting from the risk-on sentiment and higher oil prices overnight. On the US front, growing anticipation of a Fed pivot after the weak retail sales data also does not bode well for the USD. Moving forward, other from Fed speaks, we will see a slew of housing data from US which will serve as a key risk for the pair.

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	4.7022	4.7055	4.7083	4.7121	4.7154

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3509, rose to as high as 1.3522 but quickly scaled back to 1.3510 at the point of writing. Trade is also expected to be mild as markets will be closed for the Juneteenth federal holiday and in the absence of economic data on the Singapore front. Daily outlook is, thus, neutral, eyeing trading range between 1.3500-1.3527 today.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3486	1.3500	1.3510	1.3527	1.3541

MYR Crosses

SGD/MYR

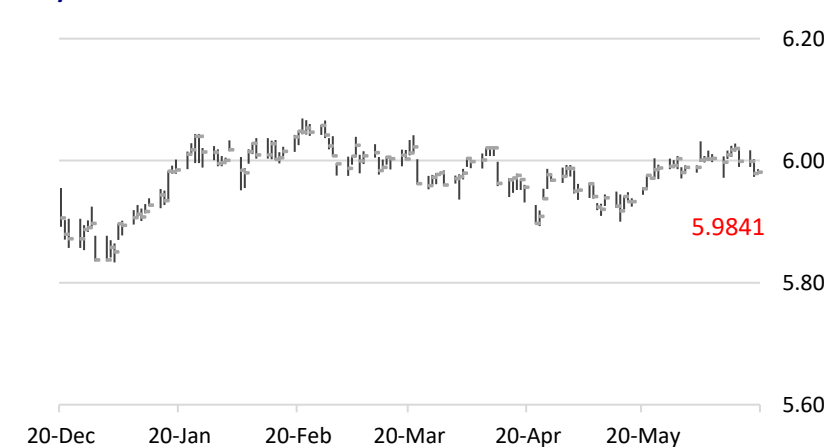


SGD/MYR Neutral

SGD/MYR opened 0.14% higher at 3.4861 but pared some of its gains to trade at 3.4850 at the point of writing. Daily outlook is neutral, in anticipation that the higher opening will be offset by a weak SGD vis-à-vis regionals and MYR strength. This pair is expected to trade within the 3.4821-3.4870 range today.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4797	3.4821	3.4850	3.4870	3.4895

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.12% higher at 5.9857 but lost some of its lustre to trade at 5.9841 at the point of writing. We prefer to stay neutral as GBP/USD consolidates around the 1.2700 level, eyeing today's CPI release and BOE's monetary policy decision for fresh impetus to the pair. As it is, consensus is expecting the BOE to maintain its bank rate unchanged at 5.25% and headline and core CPI to ease to 2.0% y/y and 3.5% y/y in May.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9726	5.9778	5.9841	5.9881	5.9932

AUD/MYR
AUD/MYR Slightly Bullish


AUD/MYR opened 0.61% higher at 3.1377 above and trended up to 3.1383 at the point of writing. Daily outlook is slightly bullish as the AUD/USD gained traction above the 0.6660 level in early Asian trade after a hawkish hold by the RBA.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1336	3.1361	3.1383	3.1418	3.1459

Source: Bloomberg, HLBB Global Markets Research

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