

19 July 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bearish

USD/MYR opened 0.06% lower at 4.6665 before surging higher to 4.6777 at the point of writing. We are neutral-to-slightly bearish on the pair today from here, ahead of Malaysia’s advanced release of 2Q GDP, where we see some possible upside risks to the market consensus for an improvement to 4.7% y/y in 2Q from 4.2% y/y in the preceding quarter. Rumours about President Biden’s candidacy in the upcoming November elections continue to swirl, amidst a quiet front in terms of economic data releases for the day ahead. Resistance for the pair comes in at 4.6812 today, while some support is expected at 4.6697.

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.

	S2	S1	Indicative	R1	R2
USD/MYR	4.6623	4.6697	4.6777	4.6812	4.6853

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3440, and traded to as low as 1.3330 before rebounding to 1.3448 at the point of writing. We have a neutral outlook for this pair for today, where there are no economic releases scheduled domestically, with key economic data (CPI and IP) and a MAS policy decision to come over the next week. Likely trading range of 1.3422 to 1.3488 seen for the pair today.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3422	1.3436	1.3448	1.3466	1.3488

MYR Crosses

SGD/MYR



SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.22% lower at 3.4746 and recouped some ground to 3.4803 before settling at 3.4781 at the point of writing. Daily outlook is neutral to slightly bearish with Malaysia's advanced 2Q GDP numbers in the pipeline, with no releases due on the Singaporean front. We are eyeing trading range between 3.4737-3.4805 for the cross today.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4702	3.4737	3.4781	3.4805	3.4838

GBP/MYR



GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.33% lower at 6.0454, traded within the 6.0447-6.0551 band before settling at 6.0512 at the point of writing. Daily outlook is neutral-to-slightly bearish given the lower opening, with UK retail sales for June due to be reported on today. Support for the cross is seen at 6.0451 while resistance topside comes in at 6.0556.

	S2	S1	Indicative	R1	R2
GBP/MYR	6.0398	6.0451	6.0512	6.0556	6.0605

AUD/MYR



AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 0.47% lower at 3.1297 but retraced some of its losses to settle at 3.1340 at the point of writing. We have a neutral-to-slightly bearish outlook for this pair mainly on account of the lower opening, but see support for the cross at 3.1286 (S1) and 3.1239 (S2) amidst an absence of any economic data in Australia today.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1239	3.1286	3.1340	3.1371	3.1404

Source: Bloomberg, HLBB Global Markets Research

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