

19 November 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bearish

USD/MYR opened 0.04% lower at 4.4775 and slid to 4.4667 at the point of writing. Daily outlook is neutral-to-slightly bearish amid MYR strength, as well as USD weakness against regionals this morning as the Trump trades appear to lose momentum. However, the stronger US economic data and cautious remarks from Fed officials will cap the downside for the USD in the near term, with support levels seen at 4.4545 (S1) and 4.4333 (S2) today. Overnight, the US builders confidence index came above expectations, but today, we will be watching out for housing starts and building permits indicators from the US and trade numbers for Malaysia.

1-Month Outlook – USD/MYR Neutral

The USD/MYR outlook is neutral as traders continue to trade cautiously in the USD on uncertainties over the pace of rate cuts especially in view of Trump’s potentially inflationary policies going forward and softer, but still resilient labour data released recently. That said, we believe increasing odds of a slower pace of Fed rate cuts especially going into 2025, will limit downside in the USD going forward. On the domestic front, 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. The prospects of narrowing in rate differentials, favourable economic outlook and domestic reforms, ongoing initiatives to encourage flows, will continue to support the MYR, despite likelihood of near-term volatility in the midst of political and policy noises in the US.

	S2	S1	Indicative	R1	R2
USD/MYR	4.4333	4.4545	4.4677	4.4880	4.4969

USD/SGD

USD/SGD Neutral-to-Slightly Bearish

USD/SGD opened flat at 1.3387, traded within the 1.3382-1.3407 before settling back at previous close. Daily outlook is neutral-to-slightly bullish given USD weakness against regionals today, but with losses likely minimal with no major economic drivers set for release today. Next up on deck is Singapore's final 3Q GDP print due end-week and on the US front, we will be watching out for the S&P PMIs for November closely.



	S2	S1	Indicative	R1	R2
USD/SGD	1.3334	1.3361	1.3387	1.3433	1.3478

MYR Crosses

SGD/MYR

SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.40% higher at 3.3465 but more than halved these gains to trade at 3.3389 at the point of writing. Daily outlook is neutral-to-slightly bullish purely because of the higher opening, but upside is capped by R1 and R2 at 3.3447 and 3.3572 today.

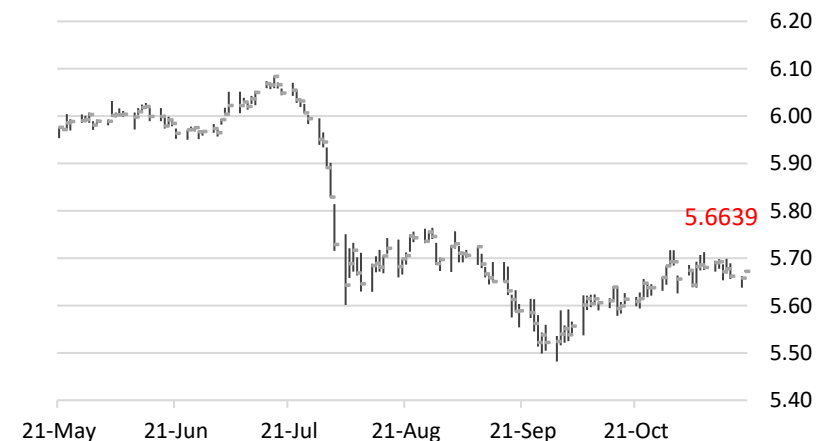


	S2	S1	Indicative	R1	R2
SGD/MYR	3.3197	3.3264	3.3389	3.3447	3.3572

GBP/MYR

GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.31% higher at 5.6753 before losing some of these gains to trade at 5.6639 at the point of writing. Daily outlook is neutral-to-slightly bullish given the higher opening today, while noting that the pair's performance today will largely hinge on Malaysia's trade and UK's CPI prints later.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.6280	5.6428	5.6639	5.6671	5.6766

AUD/MYR

AUD/MYR Bullish

AUD/MYR opened 0.64% higher at 2.9120 before retreating slightly to 2.9089 at the point of writing. Daily outlook is bullish given the higher opening and as AUD/USD held firmly above the 0.6500 level after the latest RBA minutes showed that policy settings remain appropriate to tame inflation and yet, policy makers discussed policy scenarios that require rate cuts, hikes as well as higher for longer stance.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.8824	2.8879	2.9089	2.9121	2.9251

Source: Bloomberg, HLBB Global Markets Research

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