

20 June 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral

USD/MYR opened 0.01% higher at 4.7070 and trended up to 4.7100 at the point of writing. Despite this, we have a neutral outlook for this pair, as we expect traders to largely await new catalysts after the holiday in the US, namely the Leading Index and PMIs later in the week as well as housing indicators like housing starts, building permits and existing home sales. There will also be a slew of Fed speaks, with Kashkari, Barkin and Daly set to speak by end-week.

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	4.6996	4.7046	4.7100	4.7146	4.7196

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3507 before trending up to 1.3511 at the point of writing. Similarly, we have a neutral view for this pair, eyeing trading range between 1.3499-1.3526. There will be no data on the Singapore front for the rest of this week, but officials are expected to publish its CPI and PPI prints next week.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3486	1.3499	1.3511	1.3526	1.3539

MYR Crosses

SGD/MYR



SGD/MYR Neutral

SGD/MYR opened 0.02% higher at 3.4848 before trending up to 3.4869 at the point of writing. Despite this, we prefer to stay neutral given the upcoming trade data for Malaysia at noon, eyeing trading range between 3.4833-3.4895. As it is, consensus is expecting both exports and imports to decelerate to +2.1% y/y and +8.4% y/y respectively in May.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4802	3.4833	3.4869	3.4895	3.4926

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened flattish at 5.9914 before trending down to 5.9908 at the point of writing. We prefer to stay neutral ahead of the BOE's monetary policy decision today. As it is, we expect the central bank to maintain its bank rate unchanged at 5.25% despite data overnight showing that UK's inflation retreated to BOE's 2.0% target for the first time in 3 years in May.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9842	5.9871	5.9908	5.9929	5.9958

AUD/MYR
AUD/MYR Neutral-to-Slightly Bullish


AUD/MYR opened 0.15% higher at 3.1437 and trended up to 3.1444 at the point of writing. Daily outlook is neutral-to-slightly bullish as the AUD/USD further gained momentum above the 0.6670 level this morning backed by the hawkish hold by the RBA. This pair, will nonetheless, face resistance levels at 3.1481 (R1) and 3.1529 (R2) respectively.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1385	3.1414	3.1444	3.1481	3.1529

Source: Bloomberg, HLBB Global Markets Research

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