

20 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 0.18% higher at 4.5140 before paring some of these gains to trade at 4.5095 at the point of writing. Daily outlook is neutral-to-slightly bullish given the higher opening, but gains likely capped given that this pair is slightly overbought, the US government is facing threat of a shutdown and as traders await inflation prints from both the US and Malaysia today. As it is, core-PCE prices are expected to accelerate to 2.9% y/y for the US and headline CPI is expected to pick up pace to 2.1% y/y for Malaysia.

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	4.4568	4.4813	4.5095	4.5225	4.5395

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3613, traded within 1.3606-1.3625 before settling at 1.3608 at the point of writing. We prefer to stay neutral for this pair pending the release of US PCE, eyeing trading range between 1.3583-.1.3638 today. This pair remains slightly overbought, and this could pose downside risks for this pair today.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3553	1.3583	1.3608	1.3638	1.3663

MYR Crosses

SGD/MYR

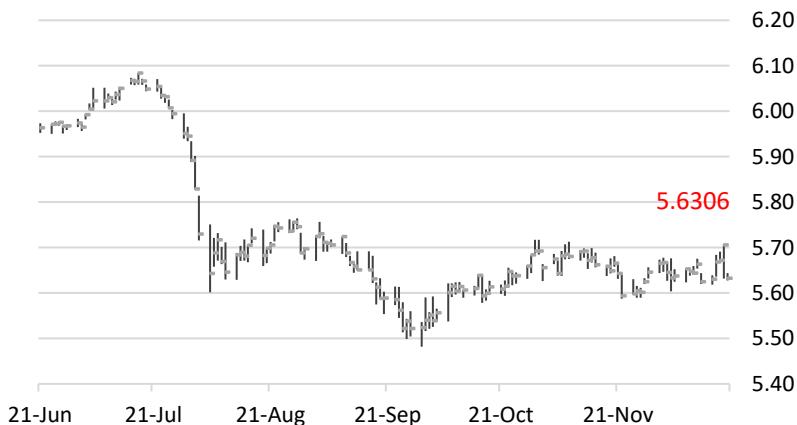


SGD/MYR Neutral

SGD/MYR opened 0.21% lower at 3.3084 before paring some of these losses to trade at 3.3131 at the point of writing. Daily outlook is neutral, with losses from the lower opening likely to narrow throughout the day given SGD strength, benefitting from the risk-off sentiment in the financial markets.

	S2	S1	Indicative	R1	R2
SGD/MYR	2.2653	3.2903	3.3131	3.3286	3.3419

GBP/MYR



GBP/MYR Bearish

GBP/MYR opened 1.12% lower at 5.6411 and plunged to 5.6306 at the point of writing. Daily outlook is bearish as the GBP/USD fell sharply below the 1.2500 handle after the BOE maintained its policy rates overnight, but 3 policy makers favoured a cut. Next on deck is UK's retail sales print where expectations is that it will be rebound +0.5% m/m after contracting the previous month, and this will pose the greatest risk for this pair today.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5990	5.6185	5.6306	5.6920	5.7150

AUD/MYR

AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 0.03% lower at 2.8124 and slid to 2.8078 at the point of writing. Daily outlook is neutral-to-slightly bearish on as AUD/USD trades in red at 0.6228 at the point of writing despite the better than expected credit data Down Under. The pair is nonetheless beginning to trade near its oversold position and as such, losses likely capped at 2.7918 (S1) and 2.7704 (S2) today.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.7704	2.7918	2.8078	2.8243	2.8354

Source: Bloomberg, HLBB Global Markets Research

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