

21 June 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-Slightly Bullish

USD/MYR opened 0.01% higher at 4.7100 and strengthened to 4.7145 at the point of writing. Daily outlook is neutral-to-slightly bullish as investors appear to favour safe haven currency amidst cautious economic outlook. This comes after data overnight showed that housing starts fell to its 4-year low, while jobless claims lingered near its 10-month high. Also supporting the Dollar is the higher Treasury yields overnight, which sent the Dollar strengthening against most of its regional peers overnight. Potentially capping gains today are concerns over the Leading Index, existing home sales data as well as S&P PMI due to be released today.

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	4.6975	4.7058	4.7145	4.7224	4.7307

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3544 but slid to 1.3536 at the point of writing. Daily outlook is neutral, with the flock to save haven mode expected to benefit both currencies. With this, we are eyeing trading range between 1.3531-1.3536 respectively.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3520	1.3531	1.3536	1.3553	1.3564

MYR Crosses

SGD/MYR

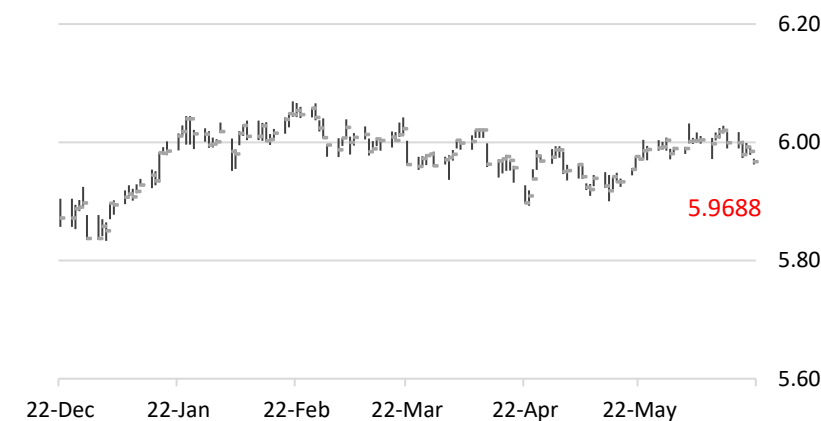


SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.13% lower at 3.4776 but quickly pared its losses and more to trade at 3.4834 at the point of writing. Daily outlook is neutral-to-slightly bullish given SGD strength against regional currencies and risk-off tone, facing R1 and R2 at 3.4851 and 3.4935 respectively.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4676	3.4741	3.4834	3.4871	3.4936

GBP/MYR



GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.36% lower at 5.9628 before paring some of its losses to trade at 5.9688 at the point of writing. Daily outlook is neutral-to-slightly bearish given the lower opening, but we expect losses to narrow through the day given GBP strength against regionals. We will remain cautious over this pair given a bumper Friday session given the slew of economic data expected from UK's retail sales to its PMI.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9482	5.9576	5.9688	5.9764	5.9858

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.10% lower at 3.1376 but quickly rebounded above its previous close to trade at 3.1411 at the point of writing. Daily outlook is neutral-to-slightly bullish on AUD strength against regional and as AUD/USD trended up above 0.6660 at the point of writing. However, the upward trend for this pair is unlikely smooth with traders likely taking their cue from the slide in Australia's PMI this morning.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1351	3.1380	3.1411	3.1459	3.1511

Source: Bloomberg, HLBB Global Markets Research

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