

22 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 0.01% higher at 4.6862 but quickly retreated to 4.6847 at the point of writing. Daily outlook is neutral-to-slightly bearish as the DXY took a dive this morning to 104.18 before paring some of its losses to trade 104.28 at the point of writing, after President Biden ended his re-election bid. MYR will also benefit from the positive sentiment after the upward surprise to Malaysia’s 2Q’s GDP print last week, and ahead of the upcoming CPI number, where expectations are that it will accelerate to 2.2% in June from 2.0% previously.

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	4.6767	4.6809	4.6847	4.6871	4.6888

USD/SGD



USD/SGD Neutral

USD/SGD opened 0.01% higher at 1.3454, traded within 1.3436-1.3456 before settling at 1.3453 at the point of writing. We have a neutral outlook, with bearish bias today, with the key driver being US politics in the absence of key economic data on the US front. Only the Chicago PMI is on deck today.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3408	1.3426	1.3453	1.3462	1.3480

MYR Crosses

SGD/MYR

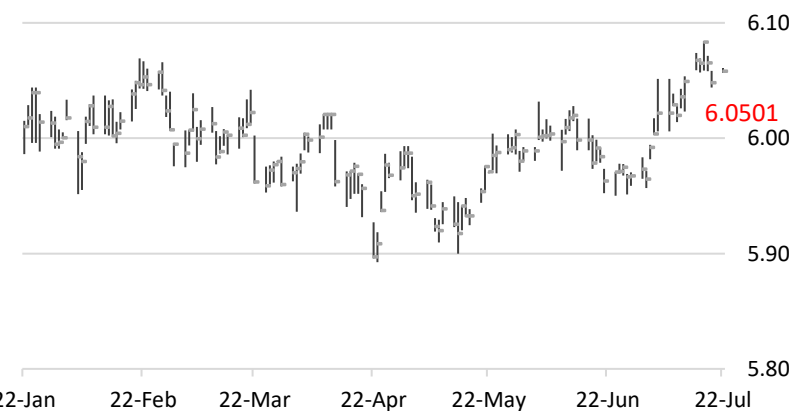


SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.05% higher at 3.4864 before losing all its lustre to trade at 3.4820 at the point of writing. Daily outlook is neutral-to-slightly bearish today, seeing support levels at 3.4790 (S1) and 3.4746 (S2) respectively. Singapore CPI numbers for June await us on Tuesday, followed by the MAS monetary policy decision and IPI later in the week.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4746	3.4790	3.4820	3.4874	3.4898

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.21% higher at 6.0605 but quickly erased some of its gains to trade at 6.0501 at the point of writing. We have a neutral outlook for this pair, in a tug of war between MYR strength and while the GBP/USD pair attracts some buyers during the Asian session and for now, seems to have stalled its corrective slide at the 1.2900 level. Key risk for this pair this week will be the upcoming PMIs for both UK's services and manufacturing sectors.

	S2	S1	Indicative	R1	R2
GBP/MYR	6.0395	6.0438	6.0501	6.0567	6.0652

AUD/MYR

AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 0.10% higher at 3.1377 before losing all its lustre to trade at 3.1220 at the writing. Daily outlook is neutral-to-slightly bearish after the AUD/USD took a dive to 0.6665 at the point of writing after the People’s Bank of China unexpectedly cut its policy rates for the 7D reverse repo as well as 1Y and 5Y lending rates in an off-cycle move this morning. A quiet week lies ahead for the Australian front, with July’s preliminary data due.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1144	3.1193	3.1220	3.1332	3.1427

Source: Bloomberg, HLBB Global Markets Research

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