

22 November 2024

**Global Markets Research**

**Daily Currency Outlook**

**USD/MYR**



Source: Bloomberg, HLBB Global Markets Research

**Intraday Thoughts – Neutral-to-Slightly Bullish**

USD/MYR opened 0.10% lower at 4.4625 before paring all its losses to trade at 4.4703 at the point of writing. Daily outlook is neutral-to-slightly bullish given the upward momentum post opening, but gains likely capped at 4.4755 (R1) and 4.4843 (R2) today as the pair trades near its overbought position. The USD is expected to benefit from its higher UST yields and haven status today, but key risks lie in any surprises to US PMI as well as Malaysia’s CPI print today.

**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 | 4.4493 | 4.4580 | 4.4703     | 4.4755 | 4.4843 |

### USD/SGD



#### USD/SGD Neutral-to-Slightly Bearish

USD/SGD opened flat at 1.3464 before sliding 1.3457 at the point of writing. Daily outlook is neutral-to-slightly bearish in anticipation of SGD strength, supported by the upward surprise in its 3Q GDP print this morning.

|         | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| USD/SGD | 1.3381 | 1.3427 | 1.3457     | 1.3489 | 1.3509 |

### MYR Crosses

#### SGD/MYR

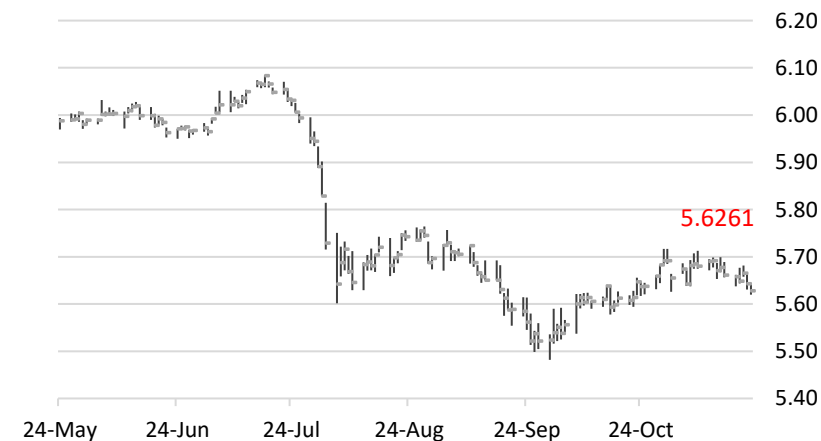


#### SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.28% lower at 3.3142 before paring nearly all of its losses to trade at 3.3225 at the point of writing. Daily outlook is neutral to slightly bullish in anticipation of SGD strength. Malaysia's CPI is due for release at noon and is expected to hold steady at 1.8% y/y for October.

|         | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| SGD/MYR | 3.3111 | 3.3173 | 3.3225     | 3.3324 | 3.3413 |

#### GBP/MYR



#### GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.40% lower at 5.6202 before paring some of these losses to trade at 5.6261 at the point of writing. Daily outlook is neutral-to-slightly bearish on GBP weakness, which saw GBP trading firmly below the 1.2600 level this morning. We nonetheless acknowledge upside risks to our call if the retail sales and S&P PMIs for UK surprised on the upside.

|         | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| GBP/MYR | 5.5778 | 5.6120 | 5.6261     | 5.6616 | 5.6804 |

**AUD/MYR**

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

AUD/MYR opened 0.01% lower at 2.9068 before rebounding to 2.9125 at the point of writing. Daily outlook is neutral-to-slightly bullish on AUD strength today, which saw AUD/USD trending up and holding firm above the 0.6500 level this morning. Nonetheless, gains will likely be capped today after Australia’s services PMI slid into contraction zone for the month of November.

|         | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| AUD/MYR | 2.8961 | 2.9017 | 2.9125     | 2.9225 | 2.9357 |

Source: Bloomberg, HLBB Global Markets Research

**Hong Leong Bank Berhad**

Fixed Income &amp; Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damansara

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email:

**DISCLAIMER**

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter.

Potential and actual conflict of interest may arise from the activities of HLB Group. HLB Group constitute a diversified financial services group. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and other activities for their own account or the account of others. In the ordinary course of their business, HLB Group may effect transactions for their own account or for the account of their customers and hold long or short positions in the financial instruments. HLB Group, in connection with its business activities, may possess or acquire material information about the financial instruments. Such activities and information may involve or have an effect on the financial instruments. HLB Group have no obligation to disclose such information about the financial instruments or their activities.

The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favorable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.