

23 September 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

USD/MYR opened 0.07% higher at 4.2067 and continued its ascent in early morning trading to stand at 4.2162 at the point of writing. Daily outlook is neutral-to-slightly bullish from here today as the pair continues to recover from its oversold position. Rising geopolitical tensions in the Middle East could also lend some support to the USD on safe haven flows. On the economic data front, Malaysian August CPI numbers are due at noon today, while tonight will see the release on the preliminary S&P Global US PMIs. Immediate support and resistance today comes in at 4.2106 (S1) and 4.2243 (R1) and trading should be contained in that range for the Asian session at least, given the Japan holiday today.

1-Month Outlook – USD/MYR Neutral-to-Slightly Bullish

The USD/MYR outlook is neutral-to-slightly bullish as the pair consolidates after the recent MYR rally, which has seen it move into oversold conditions. While expectations of broad USD weakness going forward should continue to play out in the medium term, with the currency weighed down by a cooling labour prints, further signs of disinflation and a gradual weakening in economic conditions, the USD could regain some ground in the short term. The Fed reduced interest rates by 50bps at the September FOMC meeting and indicated more cuts to come this year, with the dot plot pointing to a further reduction of another 50bps for the rest of the year. The market though is pricing in nearly another three 25bps cuts for the remaining 2 FOMC meetings for the year, and an adjustment to this pricing could lend some support to the USD in the near term. Domestically, the MYR will be supported by expectations for an extended pause in the OPR.

	S2	S1	Indicative	R1	R2
USD/MYR	4.2038	4.2106	4.2162	4.2243	4.2428

USD/SGD



USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened 0.09% higher at 1.2917 and receded slightly to 1.2915 at the point of writing. Daily outlook is neutral-to-slightly bullish, with the USD likely to get a bid from safe haven flows, amidst the release of Singapore August CPI data later this afternoon. Trading in the pair should be contained in the range of 1.2870 (S2) and 1.2954 (R2) for today.

	S2	S1	Indicative	R1	R2
USD/SGD	1.2870	1.2891	1.2915	1.2933	1.2954

MYR Crosses

SGD/MYR

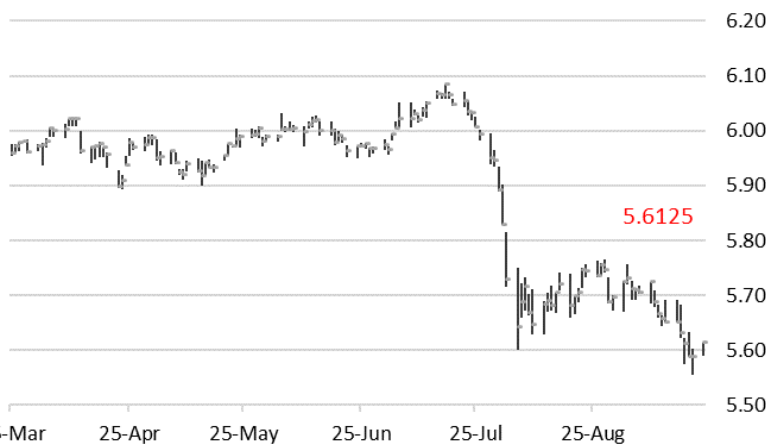


SGD/MYR Neutral

SGD/MYR opened 0.22% higher at 3.2606 and rose further to 3.2645 at the point of writing. Daily outlook from here is neutral for today, with August CPI numbers for both countries due later this afternoon. Immediate support for the cross comes in at 3.2601 (S1) today, whilst resistance can be seen above at 3.2676 (R1).

	S2	S1	Indicative	R1	R2
SGD/MYR	3.2545	3.2601	3.2645	3.2676	3.2732

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.27% higher at 5.6035 and continued its ascent to 5.6125 at the point of writing. Daily outlook from the current level is neutral, with the pair having moved out of oversold territory with the overnight rise. The preliminary UK September PMIs are due later this afternoon and may provide more insight into how the UK economy is closing out 3Q.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5944	5.6043	5.6125	5.6186	5.6285

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.17% higher at 2.8663 and rose further to trade at 2.8731 at the point of writing. Daily outlook for the cross is neutral-to-slightly bullish from current levels, with Australian preliminary September PMIs coming out on the weak side this morning, but rumours of an impending stimulus announcement from the Chinese government should continue to keep the AUDUSD bid.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.8524	2.8647	2.8731	2.8796	2.8862

Source: Bloomberg, HLBB Global Markets Research

Hong Leong Bank Berhad

Fixed Income & 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:

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