

24 June 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral

USD/MYR opened 0.01% higher at 4.7130, strengthened to as high as 4.7172 but quickly lost its lustre and more to trade at 4.7113 at the point of writing. Daily outlook is neutral at the point of writing given an empty economic calendar today, but also ahead of the all-important core PCE number for May later this week, as well as CPI for Malaysia, where the consensus expectation is for a slight rise to 2.0% from the 1.8% that printed in April. With this, we expect trading range between 4.7108-4.7193 for this pair 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	4.7062	4.7086	4.7113	4.7193	4.7236

USD/SGD

USD/SGD Neutral

USD/SGD opened flat at 1.3549 before trending up to 1.3553 at the point of writing. Daily outlook is neutral, with key risks today being Singapore's CPI, where expectations is that the headline will accelerate to 3.1% y/y for May while core held steady at 3.1% y/y respectively.



	S2	S1	Indicative	R1	R2
USD/SGD	1.3527	1.3541	1.3553	1.3567	1.3581

MYR Crosses

SGD/MYR

SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.07% lower at 3.4775 and slid to 3.4759 at the point of writing. Daily outlook is neutral-to-slightly bearish given SGD weakness against regionals, supported at 3.4724 (S1) and 3.4681 (S2) respectively.

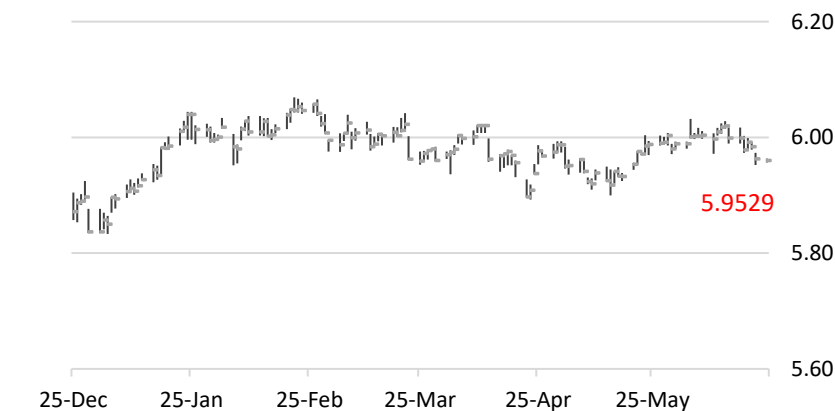


	S2	S1	Indicative	R1	R2
SGD/MYR	3.4681	3.4724	3.4759	3.4811	3.4839

GBP/MYR

GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.09% lower at 5.9574 and slid to 5.9529 at the point of writing. Daily outlook is neutral-to-slightly bearish on GBP weakness against regionals and as GBP/USD traded in red at 1.2637 at the point of writing, weighed down by the unexpected weakening in UK PMI last Friday.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.9453	5.9489	5.9529	5.9596	5.9668

AUD/MYR
AUD/MYR Neutral-to-Slightly Bearish


AUD/MYR opened 0.24% lower at 3.1276 and slid to 3.1257 at the point of writing. Daily outlook is neutral-to-slightly bearish as AUD/USD pair trades in negative territory for the third consecutive day around 0.6635 level at the point of writing. Partially weighing on AUD was the slightly weaker than expected PMI readings for June, while focus this week will be May's CPI release.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1088	3.1176	3.1257	3.1348	3.1399

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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