

24 July 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 4.6737 and strengthened to 4.6750 at the point of writing. We prefer to stay neutral for this pair as we expect investors to hunker down ahead of the PMI prints for the majors today and more importantly, the upcoming US 2Q GDP print and core-PCE prices later in the week. Overnight, Treasuries closed mixed and the DXY held firm above 104 but narrowly traded despite the downbeat existing home sales data, further reaffirming our cautious stance for this pair today.

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	4.6671	4.6711	4.6750	4.6791	4.6831

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3456, traded within the 1.3452-1.3462 range before settling at 1.3457 at the point of writing. Daily outlook is neutral given the upcoming 1st tier data on the US front and MAS' policy decision later this week, eyeing trading range between 1.3449-1.3467 today.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3440	1.3449	1.3457	1.3467	1.3477

MYR Crosses

SGD/MYR



SGD/MYR Neutral

SGD/MYR opened 0.05% lower at 3.4724 before rebounding to 3.4747 at the point of writing. We prefer to stay neutral for this pair given the upcoming Malaysia's CPI print at noon, where expectations are that it will pick up slightly but remain manageable at 2.2% y/y in June. We nonetheless noted MYR weakness against regionals this morning, potentially suggest that the CPI reading may be lower than expected.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4667	3.4723	3.4747	3.4770	3.4804

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.09% lower at 6.0282 although it pared some of its losses to trade at 6.0298 at the point of writing. We prefer to stay neutral ahead of the upcoming S&P PMIs for the majors, where expectations for the UK is for the momentum to pick up marginally for both the manufacturing and services sectors.

	S2	S1	Indicative	R1	R2
GBP/MYR	6.0217	6.0260	6.0298	6.0346	6.0389

AUD/MYR

AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 0.21% lower at 3.0897 but pared some of its losses to trade at 3.0891 at the point of writing. Daily outlook is neutral-to-slightly bearish as the AUD/USD pair trades in a bearish note for the seventh consecutive day around the 0.6610 level in early Asian session. Data this morning showed mixed reading for PMIs, with the manufacturing still weak (47.4 vs 47.2) and most service sector businesses (50.8 vs 51.2) still see positive growth.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0808	3.0854	3.0891	3.0944	3.0989

Source: Bloomberg, HLBB Global Markets Research

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