

25 June 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bearish

USD/MYR opened 0.02% lower at 4.7122 and slid to 4.7085 at the point of writing. Daily outlook is neutral-to-slightly bearish as cautious global economic sentiment and tech concerns prompted investors to shift to emerging currencies, including MYR. Key economic data releases are relegated to later in the week, with focus on PCE inflation prints, but before that, we will be watching out for final 1Q GDP, Conference Board’s Consumer Confidence index and home prices from the US as well as Malaysia’s CPI 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	4.7028	4.7064	4.7085	4.7134	4.7170

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3528 before retreating slightly to 1.3526 at the point of writing. Daily outlook is neutral, given that it was narrowly traded within the 1.3522-1.3532 range this morning, while noting SGD strength against the G10. We are eyeing trading range between 1.3517-1.3436.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3507	1.3517	1.3526	1.3536	1.3542

MYR Crosses

SGD/MYR

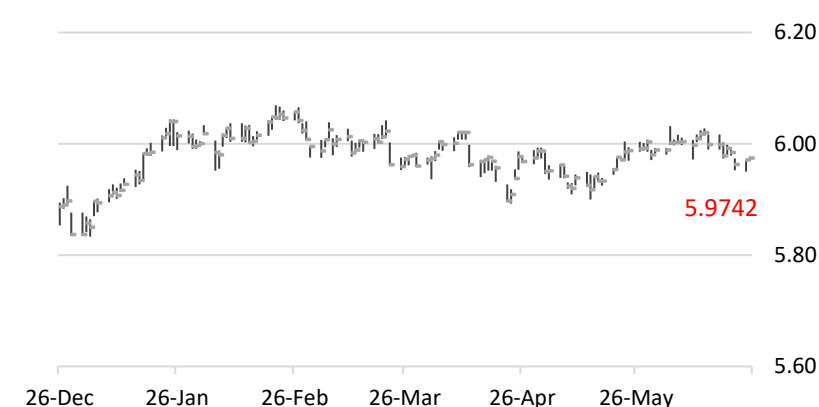


SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.02% higher at 3.4835 but quickly lost its lustre to trade below its flatline at 3.4818 at the point of writing. Daily outlook is neutral to slightly bearish on MYR strength, with an eye on the upcoming Malaysia's CPI at noon, where expectations is that it will accelerate 0.1ppts to 1.9% in May.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4765	3.4792	3.4818	3.4845	3.4871

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.09% higher at 5.9760 before paring its gains to trade at 5.9742 at the point of writing. Daily outlook is neutral as GBP/USD drifts sideways around the 1.2685 level in early morning trade and in the absence of major catalysts on the UK front, with only the final 1Q GDP on deck.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9630	5.9685	5.9742	5.9761	5.9785

AUD/MYR

AUD/MYR Neutral

AUD/MYR opened 0.04% higher at 3.1356 but pares its gains to trade close to its previous closed at 3.1344 at the point of writing. Daily outlook is neutral as the AUD/USD appears to largely trade sideways between 0.6650-60 level as investors eagerly await Wednesday's release of the May CPI data, expecting the headline inflation to sneak up 0.2ppts to its 5-month high of 3.8% YoY.

	S2	S1	Indicative	R1	R
AUD/MYR	3.1276	3.1310	3.1344	3.1377	3.1410

Source: Bloomberg, HLBB Global Markets Research

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