

25 July 2024

Global Markets Research

Daily Currency Outlook

**USD/MYR**



Source: Bloomberg, HLBB Global Markets Research

**Intraday Thoughts – Neutral**

USD/MYR opened flat at 4.6720 and hovered at 4.6722 at the point of writing. We prefer to stay neutral for this pair given the uncertainty ahead of the US’ 2Q GDP print today followed by PCE prices tomorrow. Data overnight was also mixed, with the Composite PMI unexpectedly edging up to its highest in 27 months at 55.0 in July, but new home sales unexpectedly fell 0.6% m/m to its 7-month low in June, although this marked a much smaller decline compared to May (-14.9% m/m). In terms of trading range, we are eyeing the 4.6667-4.6733 levels, while noting that this pair is slowly veering towards oversold position.

**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	4.6624	4.6667	4.6722	4.6733	4.6795

### USD/SGD



#### USD/SGD Neutral

USD/SGD opened flat at 1.3434 but strengthened to 1.3440 at the point of writing. With first tier US data and Singapore's MAS policy decision at stake for this pair, we prefer to stay neutral, eyeing trading range between 1.3428-1.3450. As it is, MAS is expected to hold monetary policy stance at this meeting and for the rest of 2024.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3417	1.3428	1.3440	1.3450	1.3461

### MYR Crosses

#### SGD/MYR

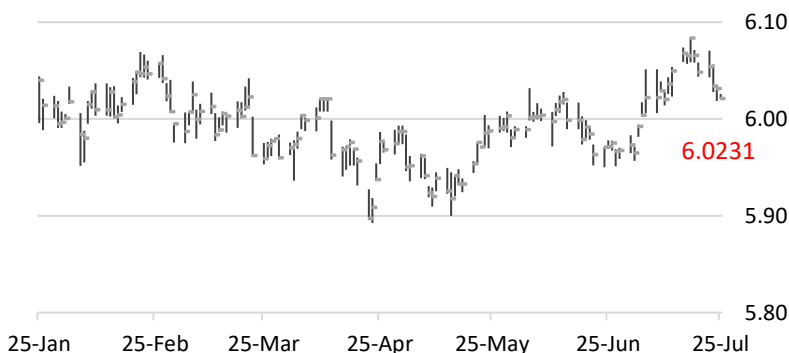


#### SGD/MYR Neutral

SGD/MYR opened 0.07% higher at 3.4765, traded within the 3.4738-3.4765 range before settling at 3.4763 at the point of writing. Given the pair is tightly traded, we have a neutral outlook for this pair, with trading range between 3.4728-3.4783 in view. A risk-off environment will benefit the SGD today, but investors will also keep in mind a still hawkish MAS statement given that inflation is expected to only step down discernibly in 4Q.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4702	3.4728	3.4763	3.4783	3.4810

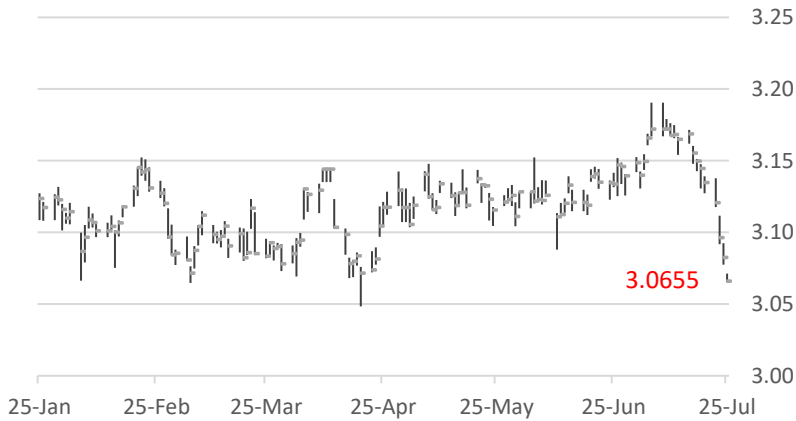
#### GBP/MYR



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

GBP/MYR opened 0.09% lower at 6.0257 and slid to 6.0231 at the point of writing. Daily outlook is neutral-to-slightly bearish given GBP weakness, with the GBP/USD pair trading in red below the 1.2900 level this morning. This is despite the strong PMI data on the UK front overnight.

	S2	S1	Indicative	R1	R2
GBP/MYR	6.0126	6.0178	6.0231	6.0278	6.0329

**AUD/MYR**

**AUD/MYR Slightly Bearish**

AUD/MYR opened 0.36% lower at 3.0712 and plunged to 3.0655 at the point of writing. Daily outlook is slightly bearish as the AUD faced further losses against the USD, with AUD/USD slipping below 0.6600 at the point of writing. Worsening concerns over China's economic health, along with falling iron ore prices and weaker Australian Judo Bank Flash PMIs, were the primary contributors to the AUD's continued downfall.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0495	3.0577	3.0655	3.0741	3.0823

Source: Bloomberg, HLBB Global Markets Research

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