

26 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 4.7057, trended up to 4.7110 before losing some of its lustre to trade at 4.7067 at the point of writing, Daily outlook is neutral, with the USD strength against most regionals negated by the downward trend post opening. USD will be supported by hawkish comments from Fed Governor Michelle Bowman who warned of upside risks to inflation, while MYR will be supported by expectations that BNM will maintain status quo after the upside surprises in inflation. Investors will also be largely cautious ahead of the US core PCE price prints but before that, we have the new home sales and mortgage applications on deck 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	4.6975	4.7028	4.7067	4.7134	4.7188

## USD/SGD

### USD/SGD Neutral

USD/SGD opened flat at 1.3546 but slid to 1.3540 at the point of writing. Daily outlook is neutral, eyeing trading range between 1.3540-1.3546 with key risk today being Singapore's IPI. Consensus is expecting it to slow sharply to 1.8% m/m May from 7.1% m/m previously.



	S2	S1	Indicative	R1	R2
USD/SGD	1.3517	1.3531	1.3540	1.3549	1.3558

## MYR Crosses

### SGD/MYR

### SGD/MYR Neutral

SGD/MYR opened 0.14% lower at 3.4731 before paring some of its gains to trade at 3.4763 at the point of writing. We prefer to stay neutral pending the release of Singapore's IPI while noting SGD strength against most regional currencies. This pair is expected to trade within the 3.4710-3.4791 range.

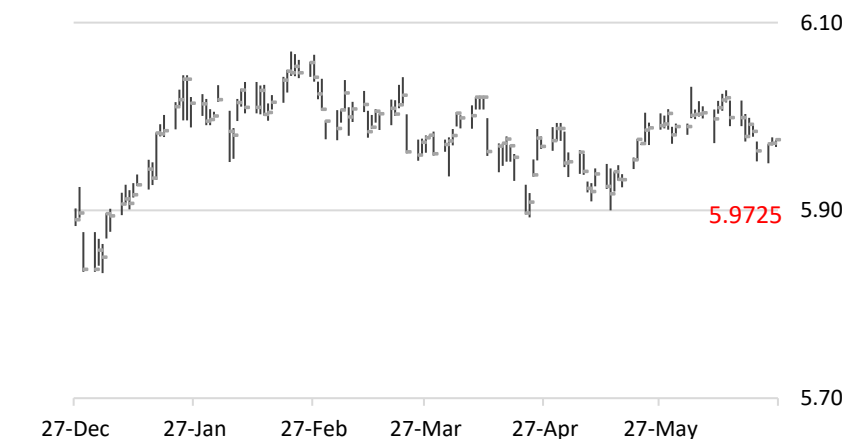


	S2	S1	Indicative	R1	R2
SGD/MYR	3.4670	3.4710	3.4763	3.4791	3.4831

### GBP/MYR

### GBP/MYR Neutral

GBP/MYR opened 0.06% lower at 5.9679 before rebounding above its flatline at 5.9725 at the point of writing. Daily outlook is neutral as we expect GBP to largely drift ahead of the election next week and in the absence of economic catalyst today. We will also be watching out for BOE's Financial Stability Report due to be released tomorrow and assuming no major surprises on the GDP front.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.9562	5.9640	5.9725	5.9795	5.9874

**AUD/MYR**

**AUD/MYR Neutral-to-Slightly Bullish**

AUD/MYR opened 0.23% lower at 3.1264 before gathering momentum to trade at 3.1399 at the point of writing. Daily outlook is neutral-to-slightly bullish as AUD/USD pared its decline after Assistant Governor Kent said that RBA wants more evidence of further drop in inflationary pressures. Bullish AUD outlook is further cemented by the bigger than expected pick-up in May's CPI to 4.0% y/y from 3.6% y/y previously.

	S2	S1	Indicative	R1	R
AUD/MYR	3.1195	3.1237	3.1399	3.1493	3.1555

Source: Bloomberg, HLBB Global Markets Research

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