

27 September 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

USD/MYR opened 0.08% lower at 4.1425 and plunged lower towards 4.1200 in early morning trading before recovering slightly to trade at 4.1320 at the point of writing. Daily outlook from here is neutral-to-slightly bullish with the pair now continuing to trade in oversold territory. In terms of economic data, it's quiet domestically with no releases scheduled for the day ahead, while tonight in the US sees the release of PCE price indices for August, alongside the personal income and spending numbers for the month. Immediate support for the pair today is seen below at 4.1170 (S1), while initial resistance above today comes in at 4.1412 (R1).

1-Month Outlook – USD/MYR Neutral-to-Slightly Bullish

The USD/MYR outlook is neutral-to-slightly bullish as the pair consolidates after the recent MYR rally, which has seen it move into oversold conditions. While expectations of broad USD weakness going forward should continue to play out in the medium term, with the currency weighed down by a cooling labour prints, further signs of disinflation and a gradual weakening in economic conditions, the USD could regain some ground in the short term. The Fed reduced interest rates by 50bps at the September FOMC meeting and indicated more cuts to come this year, with the dot plot pointing to a further reduction of another 50bps for the rest of the year. The market though is pricing in nearly another three 25bps cuts for the remaining 2 FOMC meetings for the year, and an adjustment to this pricing could lend some support to the USD in the near term. Domestically, the MYR will be supported by expectations for an extended pause in the OPR.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1043	4.1170	4.1320	4.1412	4.1543

USD/SGD

USD/SGD Neutral

USD/SGD opened flat at 1.2832 and headed higher in early trading to stand at 1.2851 at the point of writing. Daily outlook for the pair today is neutral, with an empty data calendar in Singapore. Trading in the pair for the day is seen in the range of 1.2817 (S1) and 1.2873 (R1) ahead of key US reports tonight.



	S2	S1	Indicative	R1	R2
USD/SGD	1.2789	1.2817	1.2851	1.2873	1.2901

MYR Crosses

SGD/MYR

SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.20% higher at 3.2290 but headed lower and lost its gains and more to stand at 3.2151 at the point of writing. Daily outlook from the current levels is neutral-to-slightly bullish for the day, with the cross still hovering in oversold territory, and nothing in terms of data releases for either country. Support below comes in at 3.2028 (S1) today, while resistance is expected above at 3.2261 (R1).

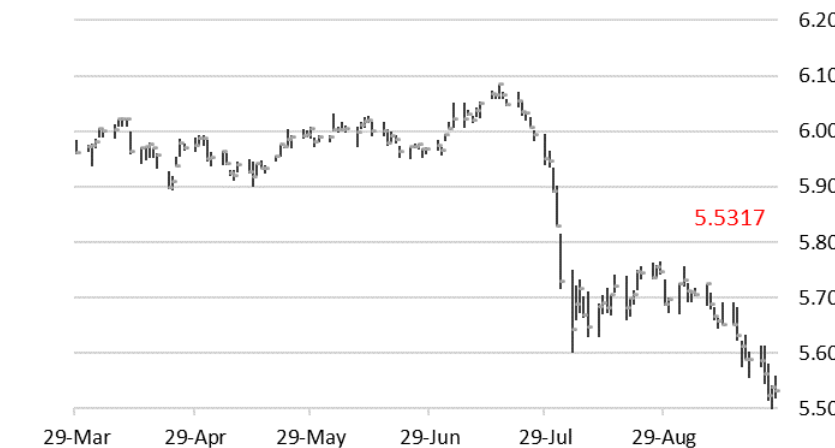


	S2	S1	Indicative	R1	R2
SGD/MYR	3.1927	3.2028	3.2151	3.2261	3.2393

GBP/MYR

GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.40% higher at 5.5595 but pared its gains in its entirety and lost more ground to stand at 5.5317 at the point of writing. Daily outlook from the current level is neutral-to-slightly bullish, with the CBI to report on sales trends in September later this afternoon in the UK. Support for the cross can be seen at 5.5109 (S1) today, while resistance above is likely at 5.5524 (R1).



	S2	S1	Indicative	R1	R2
GBP/MYR	5.4937	5.5109	5.5317	5.5524	5.5769

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.34% higher at 2.8568 but plunged lower to 2.8418 at the point of writing. Daily outlook for the cross is neutral-to-slightly bullish, with no economic data scheduled for release in either jurisdiction today. Support is seen emerging at 2.8298 (S1) today, while some resistance is likely to be present topside at 2.8521 (R1).

	S2	S1	Indicative	R1	R2
AUD/MYR	2.8211	2.8298	2.8418	2.8521	2.8657

Source: Bloomberg, HLBB Global Markets Research

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