

28 June 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral

USD/MYR opened 0.05% higher at 4.7200, strengthened to as high as 4.7225 before losing its lustre to trade at 4.7210 at the point of writing. We prefer to stay neutral in the run up of the US PCE price release, and also because USD movement will face the tug of war between weak US economic data overnight and a weak JPY which could lend support to the Dollar. With this, we are eyeing trading range between 4.7176-4.7236 for this pair, and as mentioned earlier, key risk today will be US PCE price prints, where consensus is expecting both headline and core to ease to +2.6% y/y for the month of May from +2.7% y/y and +2.8% y/y previously.

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	4.7131	4.7176	4.7210	4.7246	4.7281

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3585 and similar to the pair, trended up to as high as 1.3597 before retreating just below the flatline at 1.3581 at the point of writing. Daily outlook is, thus, neutral, eyeing trading range between 1.3564-1.3612 with investors largely staying on the sideline barring any surprises on the PCE price front.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3540	1.3564	1.3581	1.3612	1.3636

MYR Crosses

SGD/MYR

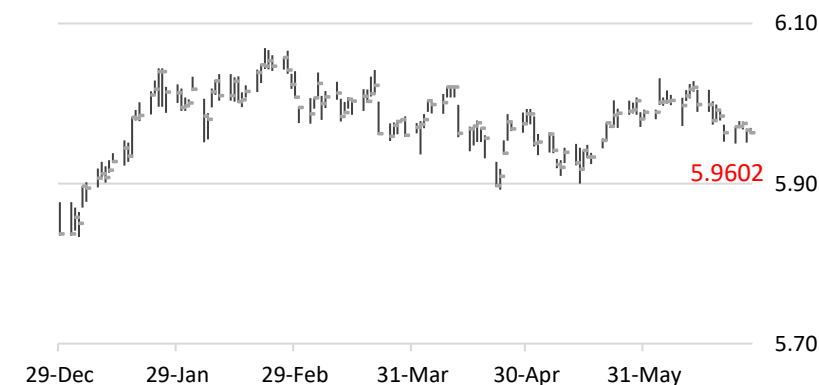


SGD/MYR Neutral

SGD/MYR opened 0.11% lower at 3.4738, traded within 3.4728-3.4761 before settling at 3.4756 at the point of writing. Daily outlook is neutral, with losses from the lower opening expected to narrow throughout the day given the slightly oversold position for this pair. We are thus, eyeing trading range between 3.4707-3.4773 for this pair.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4674	3.4707	3.4756	3.4773	3.4806

GBP/MYR



GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.02% higher at 5.9674 but quickly lost its lustre and more to trade at 5.9602 at the point of writing. Daily outlook is neutral-to-slightly bearish on GBP weakness, with the GBP/USD trading in red at 1.2628 at the point of writing. Key risk today is the release of the final 1Q GDP, where expectations is that it will be left unchanged at +0.6% q/q (4Q: -0.3% q/q).

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9452	5.9544	5.9602	5.9729	5.9821

AUD/MYR

AUD/MYR Slightly Bearish

AUD/MYR opened 0.24% lower at 3.1382 and slid to 3.1321 at the point of writing. Daily outlook is slightly bearish on AUD weakness, weighed down by the unexpected softer private sector data this morning, while noting that AUD/USD has rebounded off its day low to trade at 0.6636 at the point of writing.

	S2	S1	Indicative	R1	R
AUD/MYR	3.1040	3.1174	3.1321	3.1442	3.1576

Source: Bloomberg, HLBB Global Markets Research

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