

29 August 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bearish

USD/MYR opened 0.01% lower at 4.3438 and slid to 4.3340 at the point of writing. Daily outlook is neutral-to-slightly bearish on MYR strength today, boosted by positive investor sentiments for the currency amidst GST chatters to bolster government finances. Losses will nonetheless be capped given its oversold position and as investors stay cautious of the US PCE print due to be released tomorrow. Today will bring an update on US 2Q GDP figures, but little impact is expected as markets have priced in that this second reading will be left unchanged at 2.8%.

1-Month Outlook – USD/MYR Neutral

The USD/MYR outlook is neutral as the pair continues to trade near its oversold position after the recent MYR rally, which will more than offset expectations of broad USD weakness going forward, the latter weighed down by a much softer labour data prints in July, further signs of disinflation, gradual weakening in economic conditions in 3Q and more importantly, strongest ever signals for a September rate cut. This kept market pencilling in at least 4 rate cuts by end-2024 at the point of writing, narrowing the interest rate differentials between the US and Malaysia. 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 and civil service pay hikes should shield BNM from any OPR cut.

	S2	S1	Indicative	R1	R2
USD/MYR	4.3165	4.3268	4.3340	4.3465	4.3513

USD/SGD



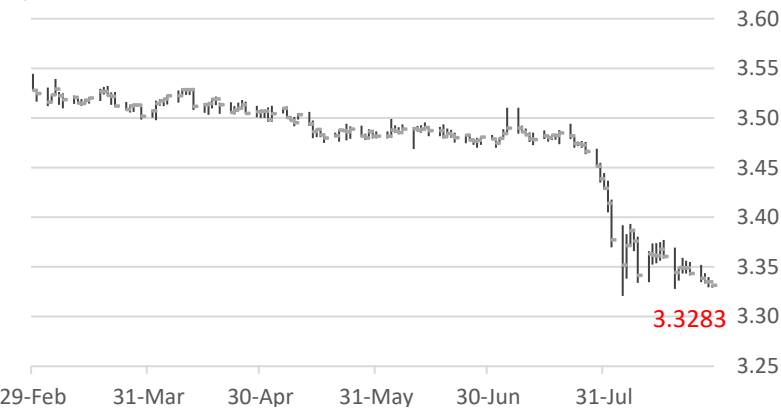
USD/SGD Neutral

USD/SGD opened flat at 1.3035, traded within 1.3020-1.3037 before settling at 1.3023 at the point of writing. Daily outlook is neutral for this pair today amid lack of fresh catalysts, eyeing trading range between 1.3010-1.3041.

	S2	S1	Indicative	R1	R2
USD/SGD	1.2993	1.3010	1.3023	1.3041	1.3061

MYR Crosses

SGD/MYR

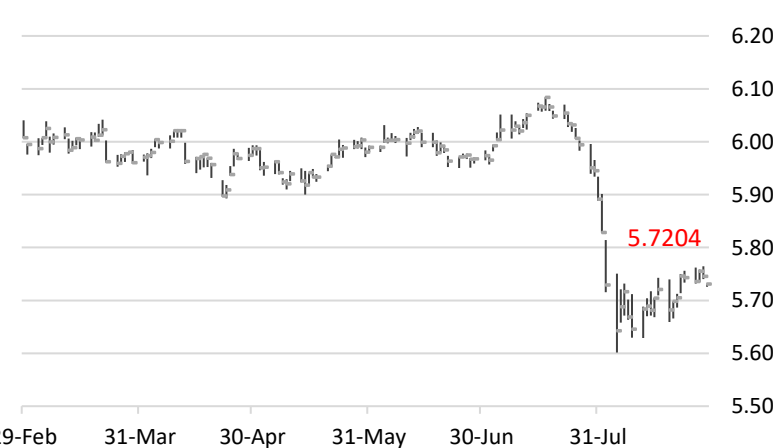


SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.07% lower at 3.3326 and slid to 3.3283 at the point of writing. Daily outlook is neutral-to-slightly bearish, but losses likely capped given that the pair appears to face strong support at the 3.3270 level, on its oversold position and on SGD strength against the regionals.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.3228	3.3258	3.3283	3.3315	3.3346

GBP/MYR

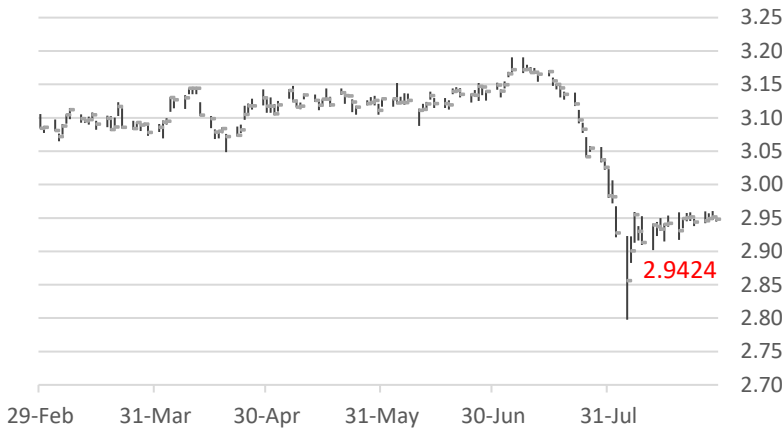


GBP/MYR Slightly Bearish

GBP/MYR opened 0.25% lower at 5.7304 and plunged to 5.7204 at the point of writing. Daily outlook is slightly bearish due to MYR strength and GBP weakness. GBP/USD fell again below 1.3200 at the point of writing. Downside will however be supported at 5.7160 (S1) and 5.7113 (S2) today.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.7113	5.7160	5.7204	5.7283	5.7366

AUD/MYR



AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 0.17% lower at 2.9462 and slid to 2.9424 at the point of writing. Daily outlook is neutral-to-slightly bearish on MYR strength and after AUD/USD retreated to 0.6793 from its high of 0.6803 today following the weak Australia’s capex data.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9357	2.9391	2.9424	2.9485	2.9541

Source: Bloomberg, HLBB Global Markets Research

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