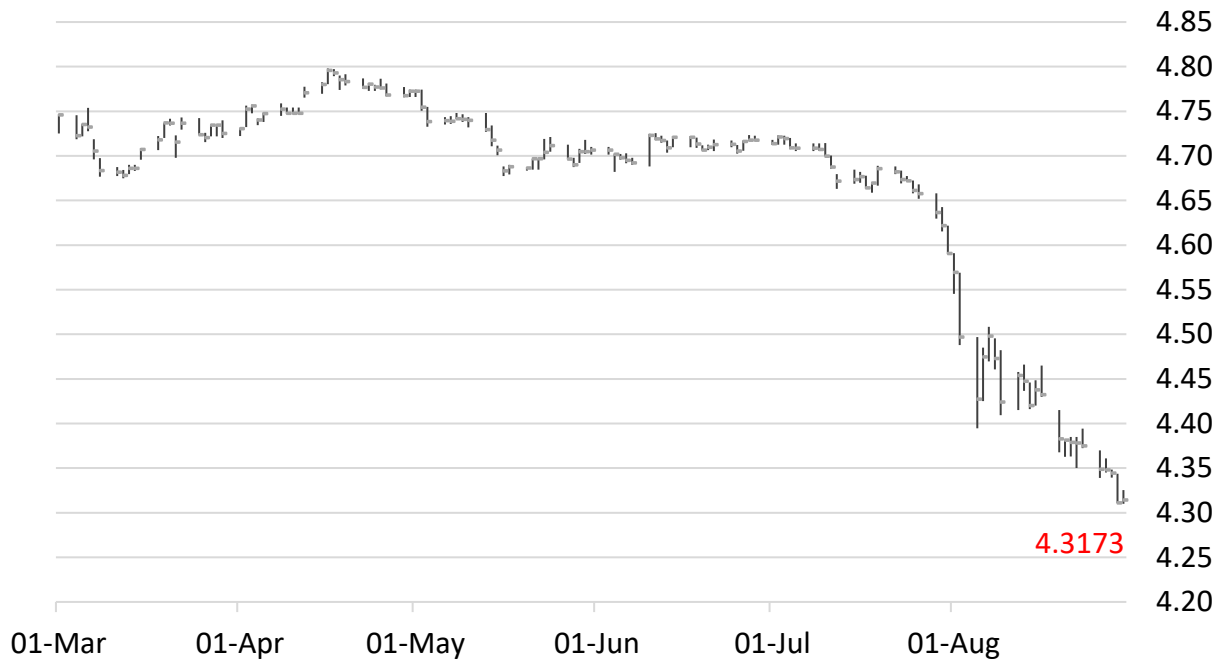


30 August 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

USD/MYR opened 0.01% higher at 4.3115 and strengthened to 4.3173 at the point of writing. Daily outlook is neutral-to-slightly bullish given its oversold position and on USD strength overnight, supported by the upward revision in 2Q GDP which not only boosted expectations that the economy will achieve a soft landing but also dampened 50bps rate cut hopes in the September FOMC meeting. However, the upside might be limited as traders might prefer to wait on the sidelines ahead of July’s PCE prices, and on the domestic front, MYR will be supported by a positive economic outlook and investors sentiment as the Government seeks to improve its fiscal position.

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	4.2863	4.3038	4.3173	4.3319	4.3471

USD/SGD



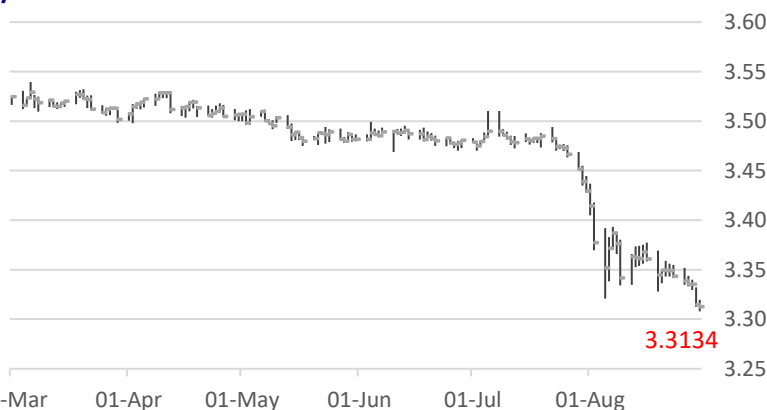
USD/SGD Neutral

USD/SGD opened flat at 1.3031, traded within the 1.3019-1.3032 range before settling back at the opening level. We prefer to stay neutral ahead of the release of US Core-PCE prices today, where expectations are that it will tick up slightly to 2.7% in July from 2.6% previously. With this, we are eyeing trading range between 1.3016-1.3036 today.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3006	1.3016	1.3031	1.3036	1.3046

MYR Crosses

SGD/MYR

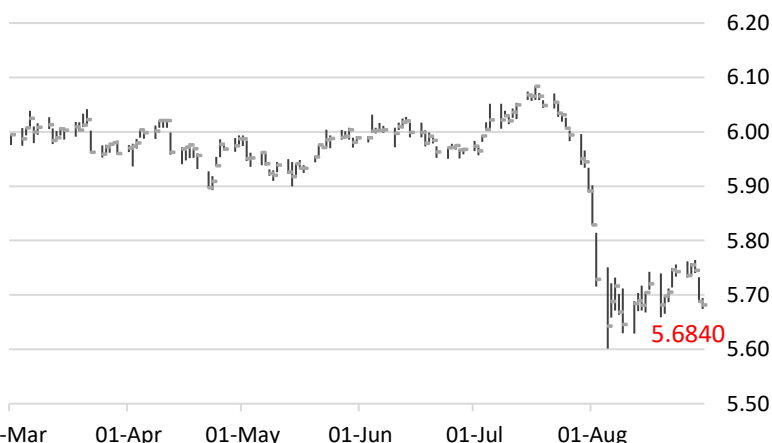


SGD/MYR Neutral

SGD/MYR opened 0.15% lower at 3.3094 but pared its losses to trade at 3.3134 at the point of writing. As this is close to its previous close and investors on edge ahead of key US data, daily outlook is thus neutral, eyeing trading range between 3.2996-3.3259. This pair remains oversold at this juncture.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.2865	3.2996	3.3134	3.3259	3.3390

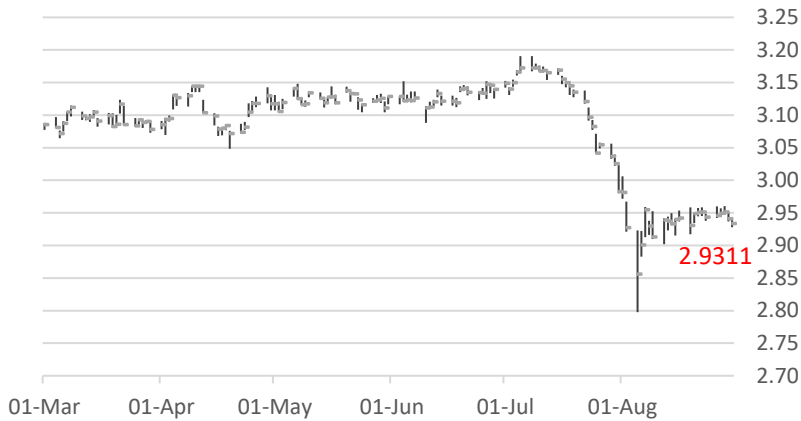
GBP/MYR



GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.23% lower at 5.6748 but rebounded 5.6840 at the point of writing. Daily outlook is neutral-to-slightly bearish as GBP/USD extended its losses to two straight days and cleared the 1.3200 figure on the downside, waking up the bears. Key risk for this pair today is the upcoming consumer credit and mortgage approvals data for the UK.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6422	5.6627	5.6840	5.7039	5.7244

AUD/MYR

AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 0.40% lower at 2.9290 but erased some of its losses to trade at 2.9311 at the point of writing. Daily outlook is neutral-to-slightly bearish after the AUD/USD took a dive to 0.6790 at the point of writing following Australia's slower than expected retail sales data for July (flat vs +0.5% m/m) this morning.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9117	2.9227	2.9311	2.9447	2.9557

Source: Bloomberg, HLBB Global Markets Research

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