

14 May 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 4.7300 and strengthened further to 4.7332 at the point of writing. Daily outlook is neutral-to-slightly bullish as USD continued to gain ground against most G10 and regional currencies after the uptick in NY Fed inflation expectations for the short and longer-term. This marks the second set of upticks in expectations recently, mirroring the Uni of Michigan consumer sentiment recently, and as such, investors will be closely watching for the looming CPI and PPI numbers which could serve as significant market catalysts this week.

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

The USD/MYR outlook is neutral-to-slightly bearish as the upside for the DXY appeared to have peaked with the recent rise in the Dollar, amidst cooling signs of a labour market, forward looking data that suggests gradual weakening in economic conditions in 2Q and after Fed Chair Jerome Powell and May FOMC meeting hit a less than expected hawkish tone despite an uneven disinflation path. This comes after US price prints continue to come in hotter than expected, while inflation expectations also unexpectedly spiked. 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 between Israel and Iran 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	4.7247	4.7287	4.7332	4.7367	4.7407

USD/SGD



USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.3535 and strengthened to 1.3538 at the point of writing. Mirroring the previous pair, we have a neutral-to-slightly bullish outlook for this pair, with gains capped given the slight retreat in UST yields overnight, facing R1 and R2 at 1.3545 and 1.3555 respectively.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3515	1.3525	1.3538	1.3545	1.3555

MYR Crosses

SGD/MYR



SGD/MYR Neutral

SGD/MYR opened 0.08% higher at 3.4967 and has stayed traded around this level to settle at 3.4962 at the point of writing. We have a neutral outlook for this pair, eyeing trading range between 3.4952-3.4983 as investors largely await upcoming US inflation prints for any changes in risk appetite, and in the absence of economic data on both sides of the border until Friday.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4937	3.4952	3.4962	3.4983	3.4998

GBP/MYR



GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.29% higher at 5.9425 and strengthened to 5.9432 at the point of writing. Daily outlook is neutral-to-slightly bullish given the higher opening, but gains seen as capped as the GBP/USD drifted around the 1.2555 level at the point of writing and ahead of the UK labour data.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9343	5.9385	5.9432	5.9470	5.9513

AUD/MYR

AUD/MYR Neutral

AUD/MYR opened 0.07% higher at 3.1278 but quickly pared all its losses to trade at 3.1248 at the point of writing. Daily outlook is neutral as we expect investors to largely stay cautious, eyeing the impact from the 2024 Australian Federal Budget due to be delivered tonight.

Cess	S2	S1	Indicative	R1	R2
AUD/MYR	3.1183	3.1220	3.1248	3.1294	3.1331

Source: Bloomberg, HLBB Global Markets Research

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