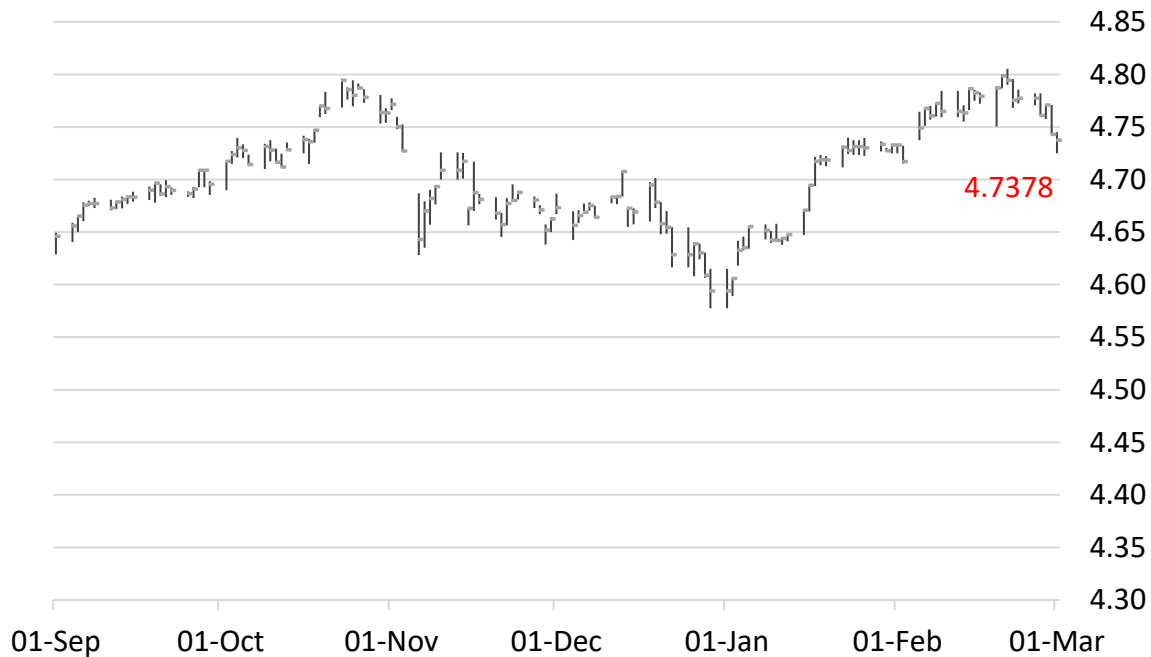


1 March 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bearish

USD/MYR opened 0.11% lower at 4.7378 and has largely oscillated around the opening level. Daily outlook is neutral-to-slightly bearish in anticipation that MYR will extend its gains today after the central bank recently guided that the currency is undervalued and after the Second Finance Minister Amir Hamzah Azizan said that the central bank is ready to defend Ringgit. This pair, will nonetheless, be supported at 4.7334 (S1) and 4.72540 (S2) with key risk today being US ISM Manufacturing index.

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

The USD/MYR outlook is neutral-to-slightly bearish in our view, as markets shifted to when and how much the Fed will ease its policy as price prints continue to moderate. However, we expect downside to be capped given the push-backs on rate cut bets, after the CPI prints and labour data came in stronger than expected, while forward looking indicators point to solid economic activity but this does not change our view that the Fed will only start cutting rates towards mid-2024. Domestically, MYR will be supported by expectations for an extended pause in OPR, as recovery in exports, sustained domestic demand and upside risk to inflation amid imminent subsidy cuts should shield BNM from any OPR cut.

	S2	S1	Indicative	R1	R2
USD/MYR	4.7240	4.7334	4.7378	4.7616	4.7804

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3456, traded within a narrow range 1.3455-1.3463 before settling at the opening level at the point of writing. Daily outlook is neutral given that the pair has largely traded range bound and in a tug of war between USD and SGD weakness against the G10 currencies. With this, we expect this to be traded within the 1.3435 and 1.3470 level today.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3415	1.3435	1.3456	1.3470	1.3480

MYR Crosses

SGD/MYR



SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.11% lower at 3.5240 and slid further to 3.5204 at the point of writing. Daily outlook is neutral-to-slightly bearish on MYR strength vis-vis à-vis regionals, while a risk-on sentiment should benefit MYR more than SGD. This pair will nonetheless be supported at 3.5165 (S1) and 3.4996 (S2) respectively.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4996	3.5165	3.5204	3.5391	3.5502

GBP/MYR



GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.31% lower at 5.9889 and slid to 5.9853 at the point of writing. Daily outlook is neutral-to-slightly bearish, hit by a double whammy of MYR strength and GBP weakness, as the latter traded below the mid-1.2600s during the early Asian session. The better than expected UK mortgage approvals data overnight though which is supportive of GBP, should limit the downside on this cross.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.8919	5.9497	5.9853	6.0296	6.0519

AUD/MYR

AUD/MYR Neutral

AUD/MYR opened 0.04% lower at 3.0830, slid to as low as 3.0776 before rebounding to 3.0842 at the point of writing. Daily outlook is neutral with the lower opening offset by AUD strength this morning, benefitting from a risk on environment and better than expected China PMIs this morning, albeit still contractionary for the official manufacturing PMI.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0698	3.0770	3.0842	3.0984	3.1126

Source: Bloomberg, HLBB Global Markets Research

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email:

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