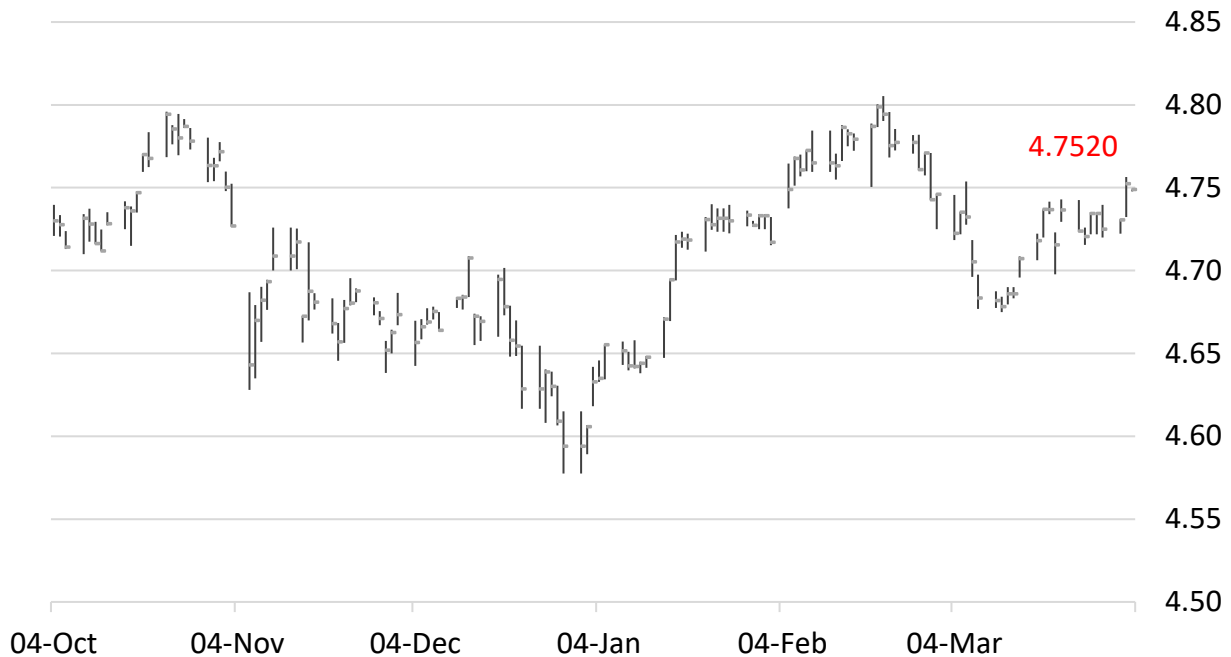


3 April 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts –Neutral

USD/MYR opened 0.08% lower at 4.7485 before paring some of its losses to trade at 4.7520 at the point of writing. Daily outlook is neutral, with Fedspeaks, including Chair Jerome Powell closely watched by traders today for hints about the interest rate trajectory and policy outlook. Overnight, Presidents Mary Daly and Loretta Mester both said that they anticipate rate cuts this year but do not expect to start easing soon and investors have largely pushed back expectations of rate cuts towards the September monetary policy meeting. Data wise, we will be watching out for the US ISM-Services and ADP Employment numbers.

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 to June, after the CPI prints and still resilient although less tight labour market, 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	4.7418	4.7458	4.7520	4.7537	4.7577

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3515, strengthened to as high as 1.3525 before retreating to 1.3513 at the point of writing. Daily outlook is neutral, eyeing trading range between 1.3511-3.3532. This pair will predominantly be USD driven, but this morning we saw S&P Singapore PMI retreating slightly to 55.7 in March from 56.8 previously. USD/SGD was not impacted by this data.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3504	1.3511	1.3513	1.3532	1.3547

MYR Crosses

SGD/MYR



SGD/MYR Neutral

SGD/MYR opened 0.06% higher at 3.5166 before losing grounds to 3.5158 at the point of writing. Still, this is just a shade above previous close. We have a neutral outlook for this pair eyeing trading range between 3.5108-3.5181, on the back of a neutral outlook for both USD/SGD and USD/ MYR today.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.5072	3.5108	3.5158	3.5181	3.5217

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.02% lower at 5.9723 but bounced up to 5.9756 at the point of writing. We have a neutral view on this pair, as we expect the upper trajectory to remain vulnerable given GBP/USD pair trades with a negative mild bias below 1.2600. We are eyeing a trading range between 5.9963-5.9759 today.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9614	5.9663	5.9756	5.9759	5.9807

AUD/MYR

AUD/MYR Neutral

AUD/MYR opened 0.01% higher at 3.0933 and edged higher to 3.0941 at the point of writing. Daily outlook is neutral as AUD, being a China proxy, is expected to benefit from another increase in Caixin Services PMI to 52.7 in March (Feb: 52.5), negating impact from higher oil prices which could benefit MYR. We are eyeing possible trading range between 3.0878-3.0957 for this pair.

Cess	S2	S1	Indicative	R1	R2
AUD/MYR	3.0839	3.0878	3.0941	3.0957	3.0997

Source: Bloomberg, HLBB Global Markets Research

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