

4 June 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bearish

USD/MYR opened 0.14% lower at 4.6997 and slid to 4.6938 at the point of writing. Daily outlook is neutral-to-slightly bearish as USD face some selling pressure following the downbeat ISM-Manufacturing and lower Treasury yields. With the manufacturing sector contracting for the second consecutive month, traders will be closely watching out for the factory orders and JOLTs Job Openings data due today, where expectations are that both will also show signs of slowdown, which is not supportive of the USD as well.

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

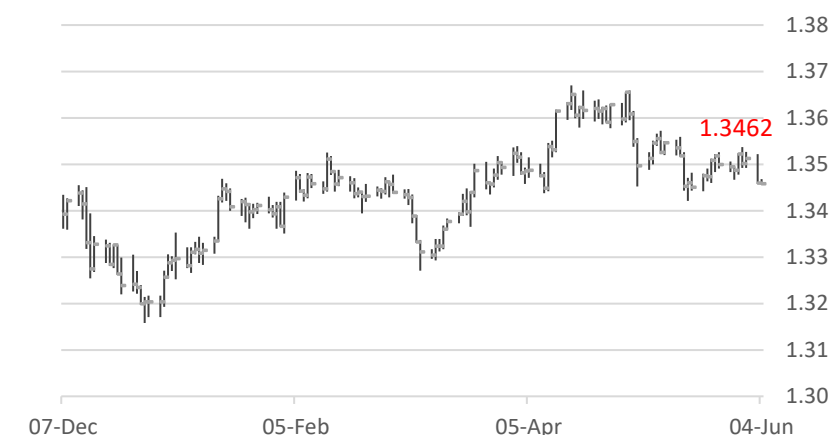
The USD/MYR outlook is neutral-to-slightly bearish as the upside for the DXY appeared to have peaked with the recent rise in the Dollar, amidst cooling signs of a labour market, forward looking data that suggests gradual weakening in economic conditions in 2Q and after Fed Chair Jerome Powell and May 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	4.6564	4.6727	4.6938	4.7052	4.7214

USD/SGD

USD/SGD Neutral

USD/SGD opened flat at 1.3459. traded within 1.3449-1.3468 before settling just above its opening level at 1.3462 at the point of writing. Despite this, we have a neutral outlook for this pair with the key risk this week on the Singapore front being the upcoming retail sales data for April. Data overnight on the Singapore front was largely stable to positive, with the official headline and electronics PMIs inching up slightly to 50.6 and 51.1 respectively in May.



	S2	S1	Indicative	R1	R2
USD/SGD	1.3439	1.3450	1.3462	1.3472	1.3483

MYR Crosses

SGD/MYR

SGD/MYR Neutral

SGD/MYR opened 0.47% higher at 3.4981 but quickly pared its gains to trade at 3.4860 at the point of writing. Daily outlook is neutral, with the higher opening expected to be negated by a strong MYR this morning. Data was also supportive of the currency, especially after Malaysia's S&P Manufacturing PMI rebounded above the expansionary territory at 50.2 in May.



	S2	S1	Indicative	R1	R2
SGD/MYR	3.4505	3.4691	3.4860	3.5061	3.5247

GBP/MYR

GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.67% higher at 6.0293 but pared some of its gains to trade at 6.0112 at the point of writing. Daily outlook is neutral-to-slightly bullish as the GBP/USD pair attracts some buyers around 1.2810 during the early Asian session. Data overnight saw a slight revision in UK's S&P Manufacturing PMI, with key risk for the rest of the week being the final services PMI as well as DMP 1Y inflation expectations.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.9478	5.9793	6.0112	6.0422	6.0736

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.66% higher at 3.1488 before paring some of its gains to trade at 3.1347 at the point of writing. Daily outlook is neutral-to-slightly bullish but we expect gains to narrow throughout the day as the AUD/USD weakened below 0.6680 at the point of writing. Australia's 1Q GDP, trade data as well as final print to the Services PMI will be the key drivers on the Aussie front this week.

Cess	S2	S1	Indicative	R1	R2
AUD/MYR	3.1066	3.1237	3.1347	3.1580	3.1751

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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