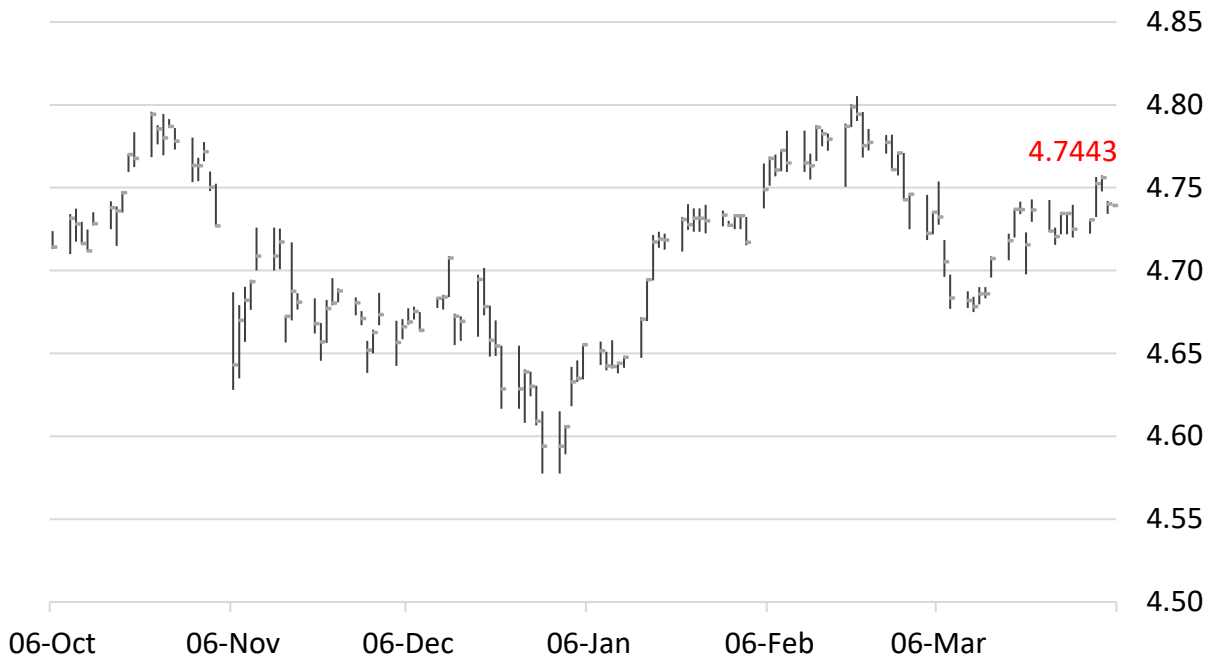


5 April 2024

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% lower at 4.7395 but made a U-turn to 4.7443 at the point of writing. We have a neutral-to-slightly bullish outlook for this pair, with gains capped at 4.7463 (R1) and 4.7485 (R2) respectively as investors prefer to stay cautious ahead of the non-farm payroll (NFP) data today. Consensus is expecting gains in NFP to moderate to +214k in March from +275k previously. On the Dollar front, DXY strengthened further to 104.28 at the point of writing, benefitting from its haven status amidst higher oil prices and from Fed President Neel Kashkari’s dovish comments, who questioned if the central bank should cut rates at all if inflation remains sticky.

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 July, 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	4.7359	4.7400	4.7443	4.7463	4.7485

USD/SGD



USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.3485 before inching up to 1.3494 at the point of writing. Daily outlook is neutral-to-slightly bullish given the upper trajectory, and also with investors staying cautious ahead of the NFP data tonight, as well as MAS monetary policy meeting next week, where expectations is that the central bank may extend its holding stance at its April meet.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3467	1.3477	1.3494	1.3497	1.3507

MYR Crosses

SGD/MYR



SGD/MYR Neutral

SGD/MYR opened 0.13% lower 3.5144 before paring some of its losses to trade at 3.5161 at the point of writing. Daily outlook is neutral, eyeing trading range between 3.5152-3.5187 with the lower opening offset by commodity-linked MYR strength, benefitting from the jump in oil prices.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.5088	3.5121	3.5161	3.5187	3.5220

GBP/MYR



GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.22% lower at 5.9902 and has largely remained unchanged at 5.9908 at the point of writing. Daily outlook is neutral-to-slightly bearish given the lower opening and as GBP/USD trades with a mild negative bias around 1.2630s during early Asian session. Nonetheless, we expect this pair to be supported at 5.9856 (S1) and 5.9789 (S2) respectively.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9789	5.9856	5.9908	5.9989	6.0055

AUD/MYR

AUD/MYR Slightly Bearish

AUD/MYR opened 0.26% lower at 3.1220 and slid to 3.1172 at the point of writing. Daily outlook is slightly bearish on AUD weakness, weighed down by a slight risk-off environment as well as the drop in trade surplus numbers this morning. We opine losses will be capped at 3.1151 (S1) and 3.1127 (S2) respectively.

Cess	S2	S1	Indicative	R1	R2
AUD/MYR	3.1127	3.1151	3.1172	3.1224	3.1268

Source: Bloomberg, HLBB Global Markets Research

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