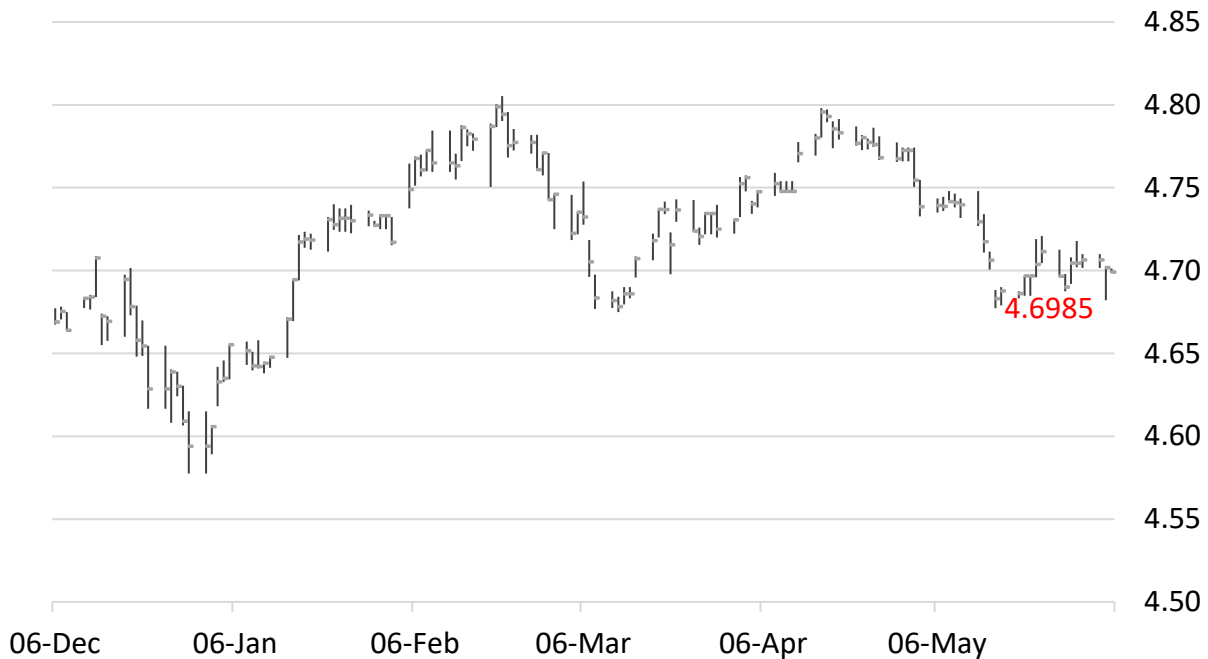


5 June 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral

USD/MYR opened 0.01% lower at 4.7010, traded within a narrow range of 4.6982-4.7020 range before settling at 4.6985 at the point of writing. We prefer to stay neutral today with a bearish bias, as we expect investors to maintain a cautious stance after the US job openings data came weaker than expected overnight, a potential prelude to a soft ADP Employment number tonight as well as the highly tracked nonfarm payroll later in the 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	4.6920	4.6958	4.6985	4.7034	4.7079

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3467, traded within 1.3458-1.3473 range before settling at 1.3462 at the point of writing. Given that this is a USD-driven pair, again, we have a neutral outlook eyeing trading range between 1.3458-1.3474. On the Singapore front, key risk today is the retail sales data where expectations is that it will decelerate to +1.9% y/y from +2.7% y/y previously.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3450	1.3458	1.3462	1.3474	1.3482

MYR Crosses

SGD/MYR

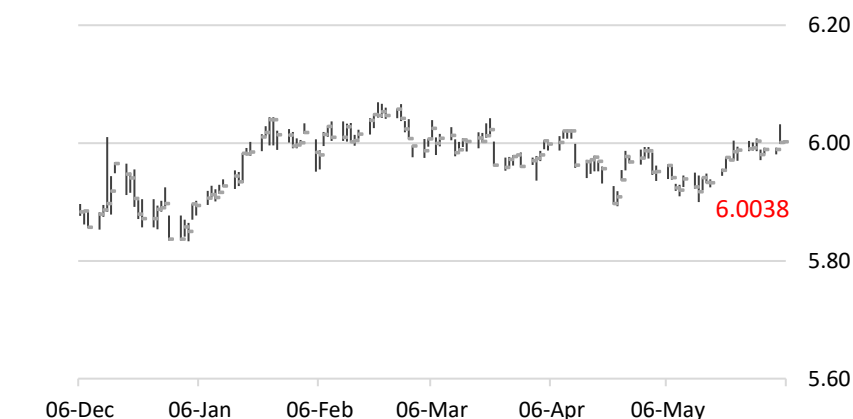


SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.09% higher at 3.4911, strengthened to 3.4925 before losing some of its lustre to trade at 3.4904 at the point of writing. Daily outlook is neutral-to-slightly bullish on SGD strength against regionals as well as on the back of the uptick in Singapore's S&P PMI data this morning (54.2 vs 52.6). This pair, will nonetheless face resistance at 3.4952 (R1) and 3.4966 (R2).

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4834	3.4864	3.4904	3.4952	3.4966

GBP/MYR

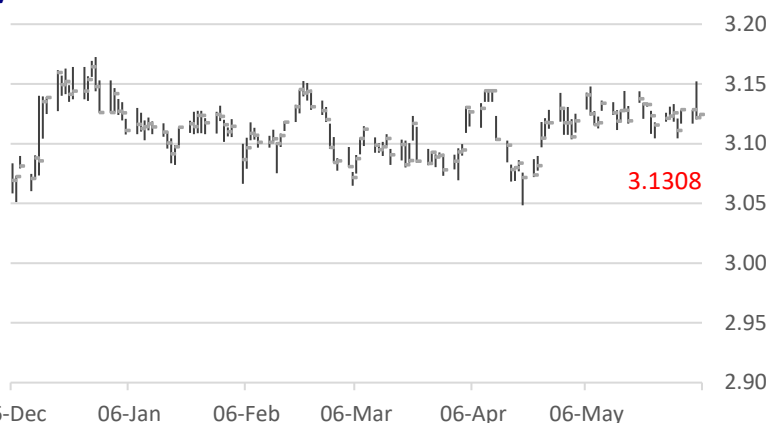


GBP/MYR Neutral

GBP/MYR opened 0.05% higher at 6.0043 and retreated slightly to 6.0038 at the point of writing. Daily outlook is neutral as both currencies lost ground after safe have flows and saw GBP/USD trading below the 1.2800 level at the point of writing. Key risk today is the final revision to UK's S&P Services PMI.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9940	5.9981	6.0038	6.0064	6.0105

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.08% higher at 3.1242 and jumped to 3.1308 at the point of writing. Daily outlook is neutral to slightly bullish as AUD/USD spiked to 0.6663 at the point of writing after China's PMI came better than expected, eclipsing the slower than expected 1Q GDP growth for Australia (0.1% q/q vs 0.3% q/q).

Cess	S2	S1	Indicative	R1	R2
AUD/MYR	3.1185	3.1244	3.1308	3.1338	3.1468

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:

DISCLAIMER

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter.

Potential and actual conflict of interest may arise from the activities of HLB Group. HLB Group constitute a diversified financial services group. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and other activities for their own account or the account of others. In the ordinary course of their business, HLB Group may effect transactions for their own account or for the account of their customers and hold long or short positions in the financial instruments. HLB Group, in connection with its business activities, may possess or acquire material information about the financial instruments. Such activities and information may involve or have an effect on the financial instruments. HLB Group have no obligation to disclose such information about the financial instruments or their activities.

The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favorable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.