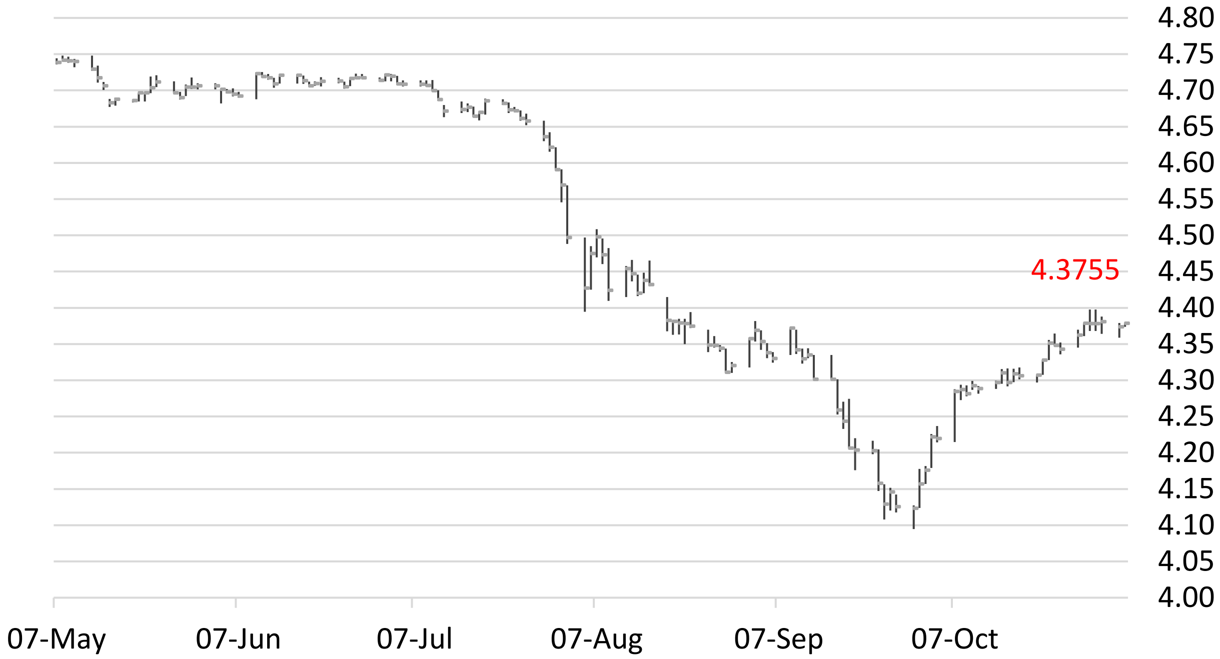
5 November 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral

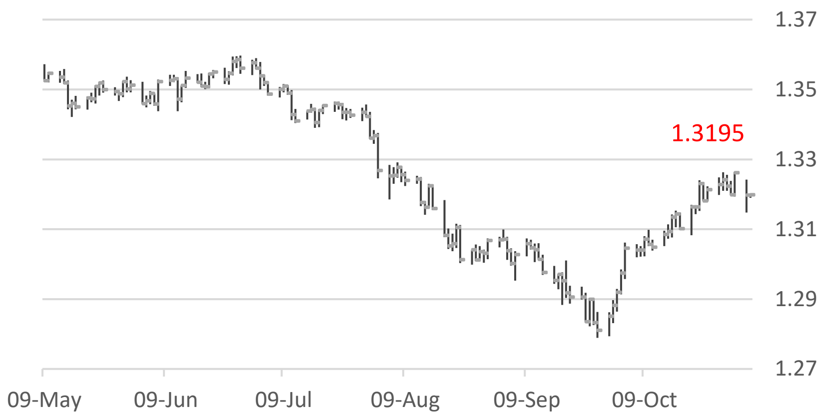
USD/MYR opened flat at 4.3740 before trending up to 4.3755 at the point of writing. We prefer to stay neutral for this pair today as traders braced for the outcome of the US presidential election where the race remains neck-to-neck. Traders will also stay cautious ahead of BNM's monetary policy decision tomorrow and with this, we are eyeing trading range between 4.3725-4.3815 today. Besides the election, we will see the release of ISM-Services print tonight, followed by the FOMC meeting later in the week.

1-Month Outlook – USD/MYR Neutral

The USD/MYR outlook is neutral as the pair consolidates after the recent MYR rally, and as traders continue to trade cautiously in USD on uncertainties over the pace of rate cuts following the higher-than-expected price prints and softer, but still resilient than expected labour data released recently. The Fed reduced interest rates by 50bps at the September FOMC meeting and indicated more cuts to come this year, with the dot plot pointing to a further reduction of another 50bps for the rest of the year. As it is, the market is pencilling in a 25bps rate cut in each of the remaining 2 FOMC meetings for the year. Domestically, the MYR will be supported by expectations for an extended pause in the OPR.

	S2	S1	Indicative	R1	R2
USD/MYR	4.3680	4.3725	4.3755	4.3815	4.3860

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3197, traded within a narrow range of 1.3190-1.3204 before settling at 1.3195 at the point of writing. Again, we have a neutral outlook for this pair given jitters ahead of the US election. Data wise, consensus is expecting US ISM-Services to soften slightly to 53.8 from 54.9 previously but Singapore's retail sales to pick up to 1.8% y/y from +0.6% y/y previously.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3178	1.3187	1.3195	1.3295	1.3214

MYR Crosses

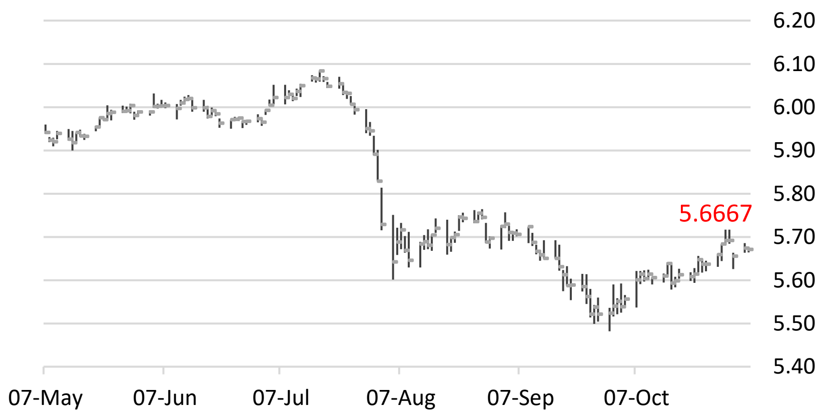
SGD/MYR

SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.20% lower at 3.3143 but pared some of these losses to trade at 3.3149 at the point of writing. Daily outlook is neutral-to-slightly bearish given the lower opening, but losses seen capped at 3.3124 (S1) and 3.3084 (S2) given the risk-off sentiment in the financial markets.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.3084	3.3124	3.3149	3.3203	3.3243

GBP/MYR



GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.13% lower at 5.6661 before paring some of these gains to trade at 5.6667 at the point of writing. Daily outlook is neutral-to-slightly bearish given the lower opening and as GBP/USD trades in the red, but losses seen capped as we expected investors to shun large trading positions before key events this week, from the US elections, to monetary policy decisions from the US, UK and Malaysia.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6566	5.6626	5.6667	5.6748	5.6806

AUD/MYR

AUD/MYR Neutral

AUD/MYR opened 0.16% lower at 2.8797 but pared its losses to trade at 2.8815 at the point of writing. Daily outlook is neutral pending RBA's decision today, where a hawkish pause is expected. Meanwhile, AUD/USD trended up to 0.6590 at the point of writing after China's Caixin Services PMI improved further and topped estimates at 52.0.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.8738	2.8773	2.8815	2.8843	2.8878

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: