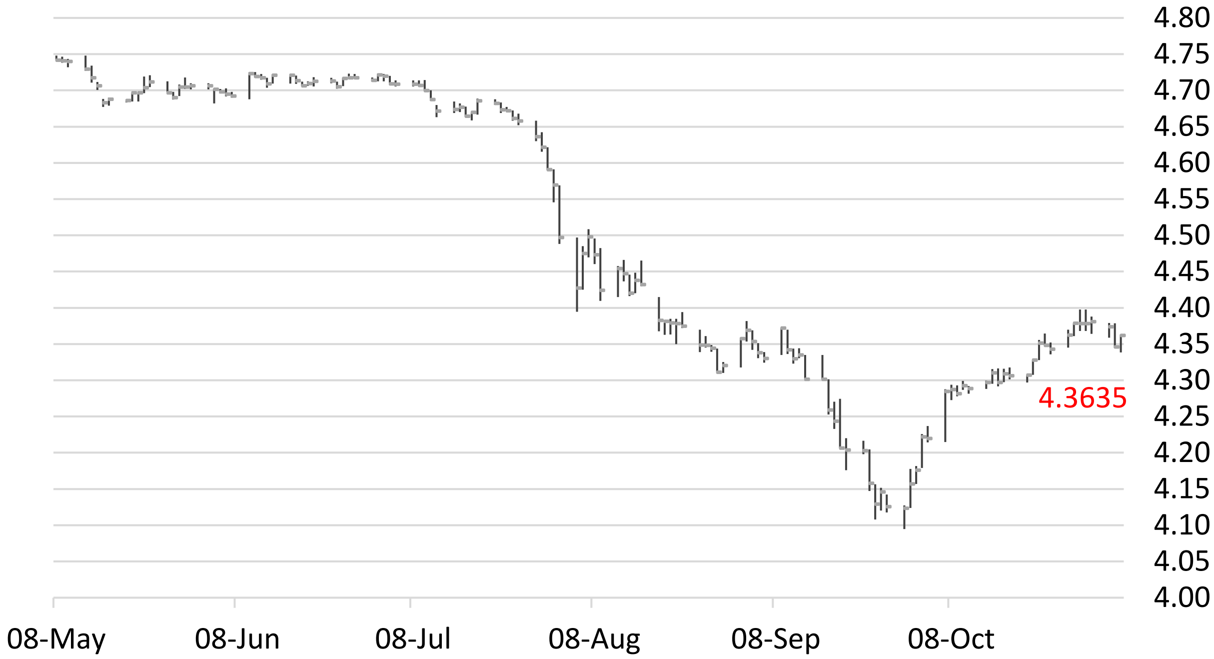
6 November 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

USD/MYR opened 0.14% lower at 4.3400 but quickly pared its losses and more to trade at 4.3635 at the point of writing. Daily outlook is neutral-to-slightly bullish as the USD traded firmer against regional currencies and G10 peers in early election results, that showed Trump is leading (177 vs 99 for Harris at time of writing). DXY is seen trending up above the 104-handle once again. Gains will nonetheless be capped given MYR strength this morning as well, supported by China stimulus hopes and expectations that the BNM will maintain its OPR and neutral policy tone today.

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	4.3056	4.3301	4.3635	4.3810	4.4065

USD/SGD

	S2	S1	Indicative	R1	R2
USD/SGD	1.2994	1.3097	1.3242	1.3303	1.3405

USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.3144 before trending up to 1.3242 at the point of writing. Daily outlook is neutral-to-slightly bullish given USD strength today, with the key risks being the US election result followed by FOMC meeting later in the week. This pair will face R1 and R2 at 1.3303 and 1.3405 today.

MYR Crosses

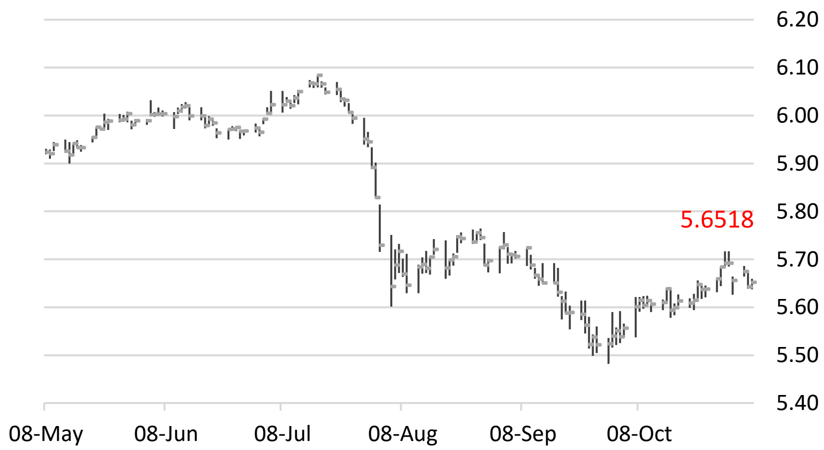
SGD/MYR

	S2	S1	Indicative	R1	R2
SGD/MYR	3.2645	3.2819	3.2971	3.3167	3.3341

SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.30% higher at 3.3086 but made a U-turn to 3.2917 at the point of writing. Daily outlook is neutral-to-slightly bearish on MYR strength today, benefitting from stronger oil prices as well as risk-on sentiment in the financial markets. This pair will be supported at 3.2819 (S1) and 3.2645 (S2) today.

GBP/MYR



	S2	S1	Indicative	R1	R2
GBP/MYR	5.6074	5.6293	5.6518	5.6731	5.6952

GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.30% higher at 5.6589 before paring some of these gains to trade at 5.6518 at the point of writing. Daily outlook is neutral-to-slightly bullish given the higher opening, but expect gains to narrow after GBP weakened against regional currencies. On the UK front, key risk will be the BOE's decision tomorrow, where expectations are that it will be lowered further by another 25bps from 5.00% currently.

AUD/MYR

AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 0.20% higher at 2.8815 but lost its lustre quickly to trade at 2.8693 at the point of writing. Daily outlook is neutral-to-slightly bearish as the AUD/USD lost its momentum in early Asian session to trade at 0.6572 at the point of writing. As it is, the outlook for AUD/USD is uncertain pending the upcoming US presidential election outcome, with Trump's victory potentially negative for the AUD given his proposed tariffs on China.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.8452	2.8600	2.8693	2.8898	2.9046

Source: Bloomberg, HLBB Global Markets Research

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