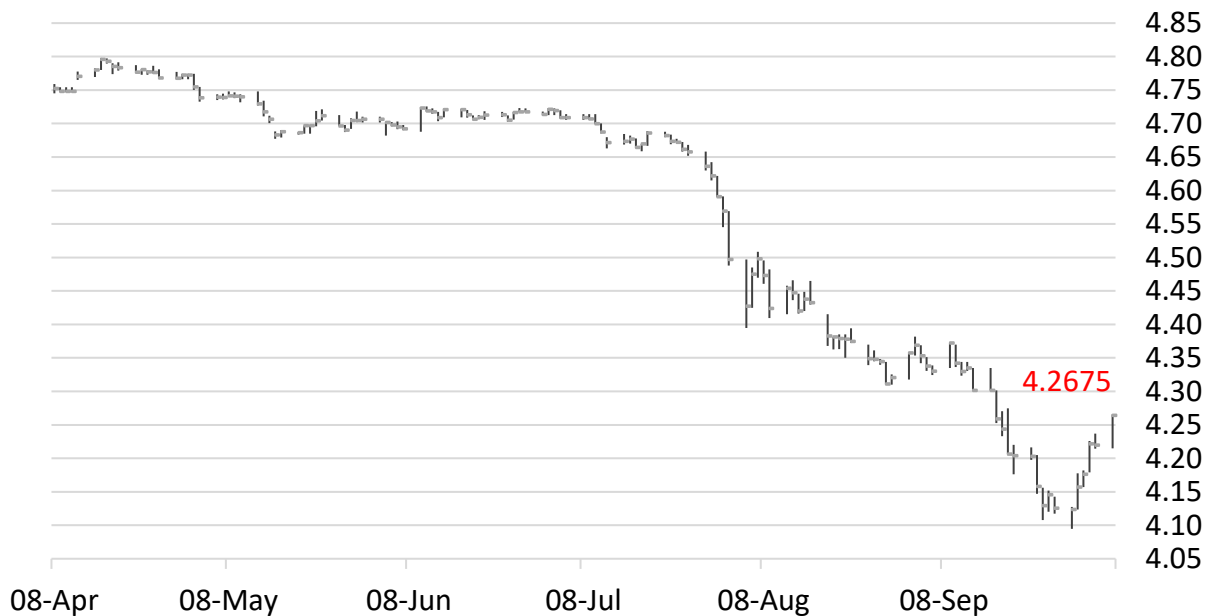


7 October 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Slightly Bullish

USD/MYR opened 0.11% lower at 4.2150, but quickly jumped to 4.2675 at the point of writing. Daily outlook is slightly bullish as emerging currencies weakened USD after the strong US non-farm payroll data boosted investors' confidence over the health of the US economy and traders shaving their aggressive rate cut bets. An eventful week lies ahead, with the US CPI scheduled for release, as well as the FOMC meeting minutes of the Sep 18 meeting, which may give us more insight into the Fed's thinking when they kicked off their rate easing cycle.

1-Month Outlook – USD/MYR Neutral

The USD/MYR outlook is neutral as the pair consolidates after the recent MYR rally, which has seen it move into oversold conditions. While expectations of broad USD weakness going forward should continue to play out in the medium term, with the currency weighed down by further signs of disinflation and a gradual weakening in economic conditions, the USD could regain some ground in the short term. 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. The market has also pared down its pricing from another three 25bps cuts to about two 25bps cuts for 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	4.1970	4.2325	4.2675	4.2860	4.3040

USD/SGD

USD/SGD Neutral-to-Slightly Bearish

USD/SGD opened 0.06% lower at 1.3037 and slid to 1.3033 at the point of writing. Daily outlook is neutral-to-slightly bearish on SGD strength this morning. This week, we may see the MAS monetary policy decision as well as the release of advanced 3Q GDP, where expectations is that the economy will grow at a faster pace of 1.9% in 3Q from 0.4% previously.



	S2	S1	Indicative	R1	R2
USD/SGD	1.2999	1.3015	1.3033	1.3052	1.3073

MYR Crosses

SGD/MYR

SGD/MYR Slightly Bullish

SGD/MYR opened 0.57% lower at 3.2339, before making a U-turn to above its previous close at 3.2725 at the point of writing. Daily outlook is slightly bullish given SGD strength today, and the key risk being shifts in risk-sentiment amid geopolitical uncertainty as well Malaysia's IPI data due at the end of the week. Consensus is expecting output to grow at a largely steady pace of 5.4% y/y in August as compared to 5.3% y/y previously.



	S2	S1	Indicative	R1	R2
SGD/MYR	3.2195	3.2466	3.2725	3.2883	3.3029

GBP/MYR

GBP/MYR Slightly Bullish

GBP/MYR opened 0.34% lower at 5.5371 before paring its losses and more to trade at 5.6022 at the point of writing. Daily outlook is slightly bullish as GBP/USD rebounded above the 1.3100 level in early Asian trade. Not much on deck in terms of economic calendar for the UK this week, with only the construction PMI and RICS House Price Balance due for release.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.5143	5.5583	5.6022	5.6251	5.6481

AUD/MYR



AUD/MYR Slightly Bullish

AUD/MYR opened 0.66% lower at 2.8679 before rebounding to 2.9038 at the point of writing. Daily outlook is slightly bullish as AUD/USD recovered some lost ground to near 0.6805, snapping the two-day losing streak during the early Asian session on Monday. Looking ahead, traders will take more cues from the RBA Meeting Minutes, which will be released on Tuesday.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.8551	2.8795	2.9038	2.9168	2.9297

Source: Bloomberg, HLBB Global Markets Research

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