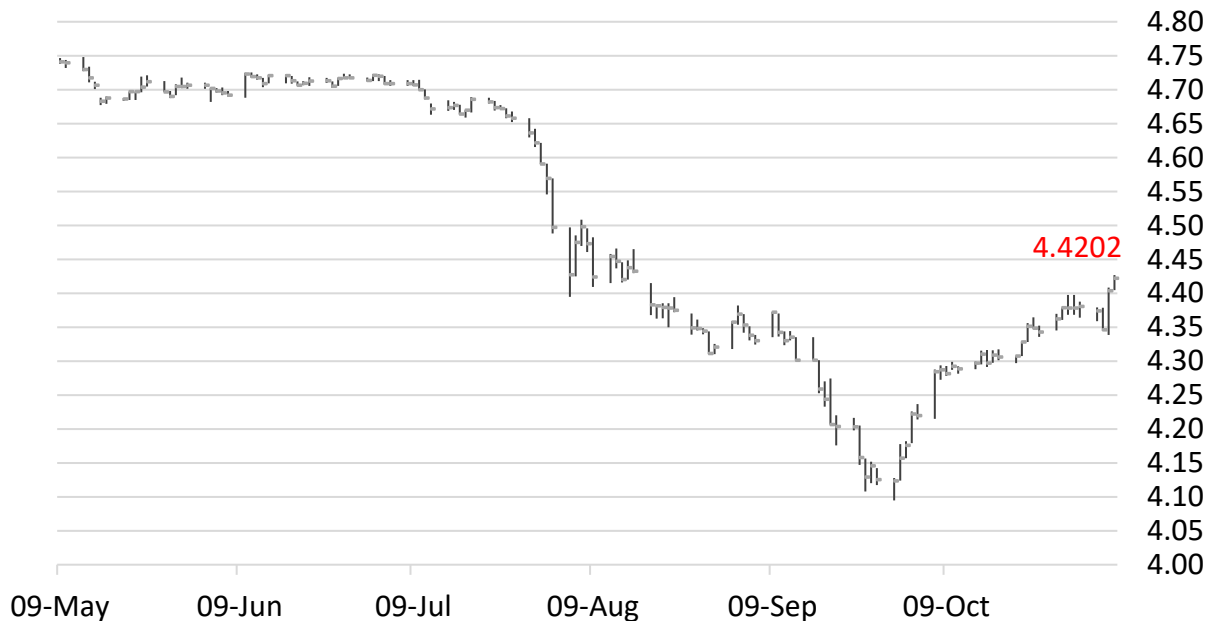


7 November 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

USD/MYR opened 0.03% higher at 4.4047 and strengthened to 4.4202 at the point of writing. Daily outlook is neutral-to-slightly bullish in anticipation that the Dollar will largely be supported by expectations that Trump's pro-growth policies will stoke inflationary pressures, sending Treasury yields up as investors pared rate cut bets. In fact, market pricing dialled back their rate cut wagers to further below 2 for the remaining of this year and below 3 for 2025, while the DXY has held firmly above the 105-handle this morning. Next on deck is the FOMC's policy decision today, where Fed Chair Jerome Powell is widely expected to deliver another 25bps cut, bringing the Fed Funds rate down 4.75%.

1-Month Outlook – USD/MYR Neutral

The USD/MYR outlook is neutral as traders continue to trade cautiously in the USD on uncertainties over the pace of rate cuts especially in view of Trump's potentially inflationary policies going forward and softer, but still resilient labour data released recently. That said, we believe increasing odds of a slower pace of Fed rate cuts especially going into 2025, will limit downside in the USD going forward. On the domestic front, the delay in the implementation of RON95 subsidy retargeting to mid-2025 will further push back upside risks to inflation, reaffirming our view for an extended pause in the OPR probably through next year. The prospects of narrowing in rate differentials, favourable economic outlook and domestic reforms, ongoing initiatives to encourage flows, will continue to support the MYR, despite likelihood of near term volatility in the midst of political and policy noises in the US.

	S2	S1	Indicative	R1	R2
USD/MYR	4.3740	4.3958	4.4202	4.4394	4.4612

USD/SGD

USD/SGD Neutral

USD/SGD opened flat at 1.3329, traded within the 1.3313-1.3347 range before settling at 1.3320 at the point of writing. We prefer to stay neutral for this pair today ahead of the FOMC meeting today, eyeing trading range between 1.3303 and 1.3338.



	S2	S1	Indicative	R1	R2
USD/SGD	1.3274	1.3303	1.3320	1.3338	1.3358

MYR Crosses

SGD/MYR

SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.23% lower at 3.3029 but rebounded above the previous close to 3.3165 at the point of writing. Daily outlook is neutral-to-slightly bullish on SGD strength against regionals, eyeing trading range between 3.2969-3.3286. Other from the FOMC meeting, next key risk for this pair this week is Malaysia's IPI print tomorrow, where consensus is expecting IPI to ease to 3.5% y/y from 4/1% y/y previously.

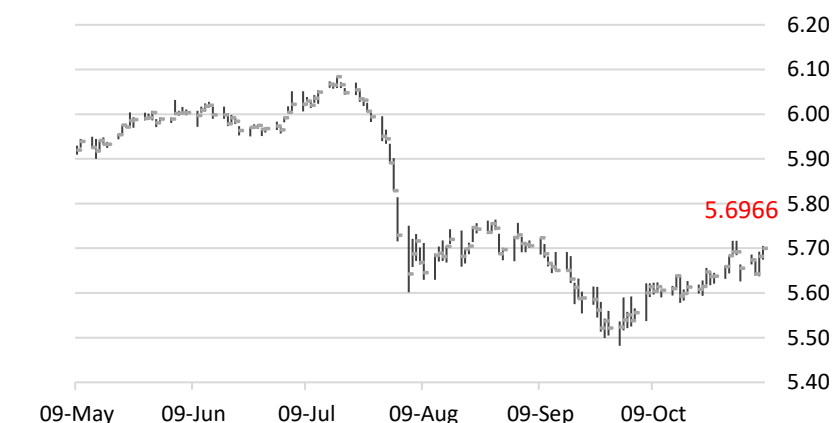


	S2	S1	Indicative	R1	R2
SGD/MYR	3.2809	3.2968	3.3165	3.3286	3.3445

GBP/MYR

GBP/MYR Neutral-to-Slightly Bullish

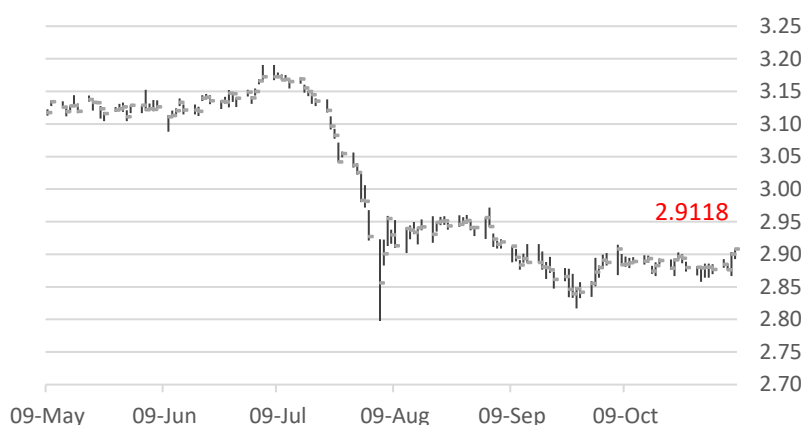
GBP/MYR opened 0.11% lower at 5.6750, but pared all its losses and more to trade at 5.6966 at the point of writing. Daily outlook is neutral-to-slightly bullish as the GBP/USD recovered above the 1.2904 handle at the point of writing. Gains will nonetheless be capped given BOE's monetary policy decision, where a quarter-point cut is expected.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.6316	5.6623	5.6966	5.7237	5.7544

AUD/MYR

AUD/MYR Neutral-to-Slightly Bullish



AUD/MYR opened 0.25% lower at 2.8927 but shook off its losses to trade at 2.9118 at the point of writing. Daily outlook is neutral-to-slightly bullish as the AUD/USD trimmed its losses to trade above the 0.6600 level at the point of writing. Capping gains is nonetheless uncertainty over the FOMC tone tonight as well as lower trade surplus data on the Aussie front today.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.8697	2.8866	2.9118	2.9204	2.9373

Source: Bloomberg, HLBB Global Markets Research

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