

8 October 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

USD/MYR opened 0.16% lower at 4.2775, but quickly pared most of its losses to trade at 4.2842 at the point of writing. Daily outlook is neutral-to-slightly bullish as the market continues to digest the strong US payroll report last Friday and dial back on pricing of aggressive Fed cuts this year. However, gains may be capped given how much the pair has corrected and it is no longer trading in oversold territory with the recent move higher. There are no economic data releases out of Malaysia today, and little in the way of Tier-1 data out of the US, but the Fed's Kugler, Bostic and Collins are all scheduled to speak this evening which may provide some insight into the Fed's thinking post the strong payroll data.

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	4.2676	4.2767	4.2842	4.2966	4.3112

USD/SGD

USD/SGD Neutral

USD/SGD opened flat at 1.3040 and inched lower to 1.3037 at the point of writing. Daily outlook for the pair today is neutral, with an empty data calendar in Singapore today, after the anniversary of the Hamas attack on Israel passed without any further sharp escalation. Support is seen emerging at 1.3013 (S1) for today, while 1.3059 (R1) should provide initial resistance topside.



	S2	S1	Indicative	R1	R2
USD/SGD	1.2990	1.3013	1.3037	1.3059	1.3082

MYR Crosses

SGD/MYR

SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.01% higher at 3.2858 and inched up further in early morning trading to 3.2867 at the point of writing. Daily outlook for the cross is neutral-to-slightly bullish, with nothing in terms of economic releases due in either jurisdiction today, and the MYR expected to underperform on continued profit-taking after a stellar month for the currency in September.



	S2	S1	Indicative	R1	R2
SGD/MYR	3.2588	3.2718	3.2867	3.2977	3.3107

GBP/MYR

GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.16% lower at 5.5911 before paring its losses and more to trade at 5.6090 at the point of writing. Daily outlook for the cross is neutral-to-slightly bullish for the day ahead, on a likely continued uptrade in USDMYR, and there are no significant economic releases out of the UK today. Resistance above is expected around the 5.6207 (R1) level.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.5823	5.5974	5.6090	5.6207	5.6385

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.72% lower at 2.8867 and inched lower to stand at 2.8863 at the point of writing. Daily outlook is neutral-to-slightly bullish for the cross today, with the RBA minutes earlier today suggesting that the Australian central bank may hold rates steady for a while until its confident that inflation is moving sustainably to its target band. Support is seen at 2.8749 (S1) while resistance above emerges at 2.8951 (R1).

	S2	S1	Indicative	R1	R2
AUD/MYR	2.8594	2.8749	2.8863	2.8951	2.9057

Source: Bloomberg, HLBB Global Markets Research

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