10 June 2024

Global Markets Research

Daily Currency Outlook

USD/MYR

Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

USD/MYR opened 0.08% lower at 4.6883 before erasing all its losses to trade higher at 4.7160 at the point of writing. Daily outlook is neutral-to-slightly bullish as the strong non-farm payroll data (NFP) last Friday saw traders paring back on rate cut bets, probably lending some support for the greenback in the near term before the CPI and PPI price prints as well as FOMC meeting and its latest dot plot are being released later in the week. On the local print, IPI and manufacturing sales data are due to be released today, where the market expects IPI to accelerate to +6.9% y/y in April from +2.4% y/y previously.

1-Month Outlook – USD/MYR Neutral

The USD/MYR outlook is neutral as the upside for the DXY appeared to have peaked with the recent rise in the Dollar, amidst cooling-but-still resilient signs of a labour market, forward looking data that suggests gradual weakening in economic conditions in 2Q, but also an uneven disinflation path which should keep rate cut expectations and marked weakening in the Dollar, in check. Domestically, MYR will be supported by expectations for an extended pause in the OPR, as recovery in exports, sustained domestic demand and upside risk to inflation amid imminent subsidy cuts should shield BNM from any OPR cut. The ongoing tension between Israel and Iran could benefit both the USD and MYR, the latter benefitting from the higher oil prices, while the former benefitting from a safe-haven bid in the forex market.

	S2	S1	Indicative	R1	R2
USD/MYR	4.6468	4.6776	4.7160	4.7392	4.7700

USD/SGD

USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened 0.09% lower at 1.3510, quickly rebounded to 1.3527 at the point of writing. We have a neutral-to-slightly bullish outlook for this pair in anticipation of a USD-driven strength today, facing R1 and R2 at 1.3543 and 1.3563 respectively. As it is, the direction of the pair this week will continue to be USD driven given an empty economic calendar on the SGD front.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3483	1.3503	1.3527	1.3543	1.3563

MYR Crosses

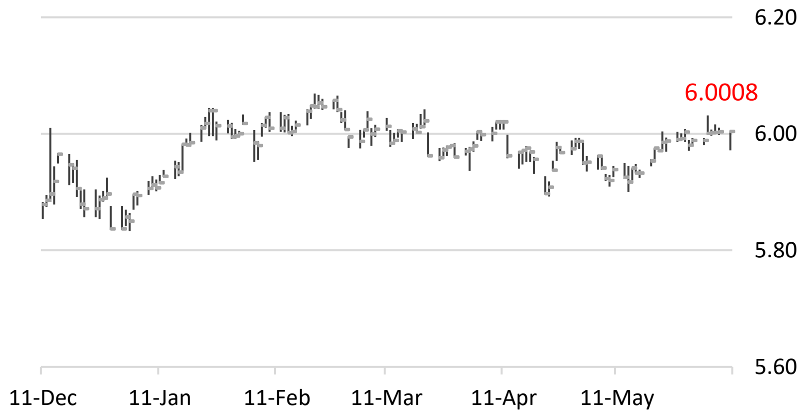
SGD/MYR

SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.57% lower at 3.4689 before paring some of its gains to trade at 3.4859 at the point of writing. Daily outlook is neutral-to-slightly bearish given the lower opening, but we expect losses to be capped given MYR weakness. This pair will be supported at 3.4612 (S1) and 3.4412 (S2) respectively.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4412	3.4612	3.4859	3.5012	3.5212

GBP/MYR



GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.53% lower at 5.9720 before paring some of its losses to trade at 6.0008 at the point of writing. Daily outlook is neutral-to-slightly bearish as GBP/USD remains defensive below the 1.2750 level, with key risk being the monthly GDP and employment numbers due to be released later in the week on the UK front.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9258	5.9593	6.0008	6.0265	6.0598

AUD/MYR

AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 1.19% lower at 3.0885 before paring some of its losses to trade at 3.1058 at the point of writing. Daily outlook is neutral-to-slightly bearish as AUD/USD remains under pressure below 0.6600, eyeing S1 and S2 at 3.0814 and 3.0638 respectively. Key risk on the Aussie front this week will be its employment numbers.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0638	3.0814	3.1058	3.1166	3.1342

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