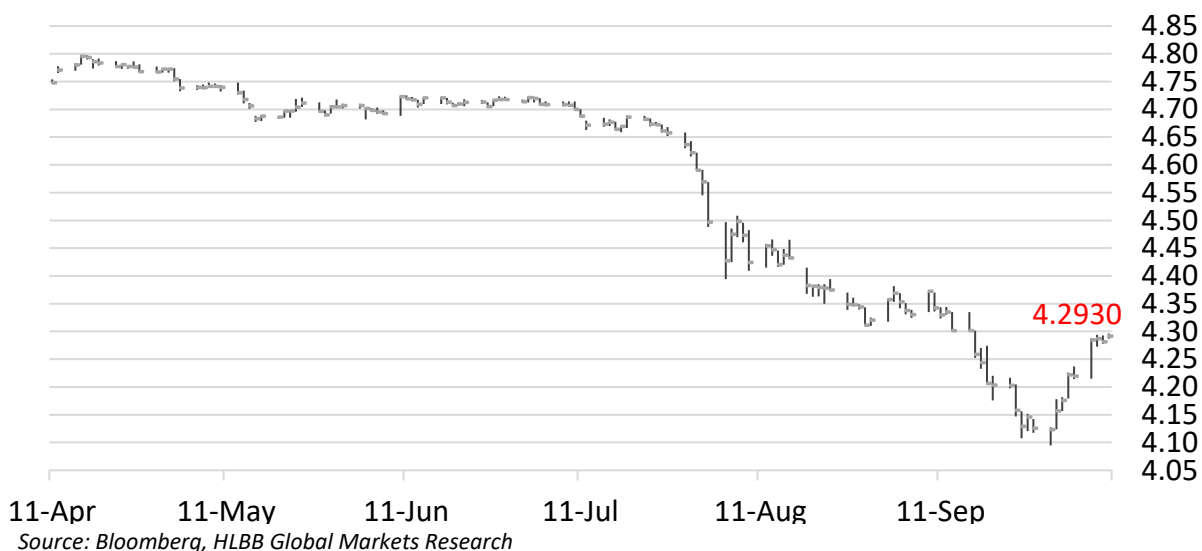


10 October 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Intraday Thoughts – Slightly Bullish

USD/MYR opened 0.13% higher at 4.2870 and strengthened to 4.2930 at the point of writing. Daily outlook is slightly bullish as DXY continued to trade near its 7-week high of 102.85 at the point of writing, as traders continued to price out expectations for the Fed to cut rates by 50bps in November, supporting the Dollar. This comes after numerous Fed speaks and FOMC minutes that further pushed back expectations for a 50bps rate cut going forward. Domestically, the BNM's Financial Markets Committee noted that the ongoing coordinated efforts by officials to encourage repatriation and conversion of foreign income proceeds by GLCs, GLICs and corporates can be sustained to ensure better liquidity in the onshore FX market, and members also shared observations of corporate behavioural changes amidst the recovery of the MYR. Among exporters, there was a shift in sentiment that led to more interest for conversion of export proceeds, while importers have also reduced their front-loading tendencies by purchasing only required quantities for their business activity.

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	4.2737	4.2827	4.2930	4.3007	4.3097

USD/SGD

USD/SGD Neutral

USD/SGD opened flat at 1.3071, slid to as low as 1.3060 before rebounding to 1.3067 at the point of writing. Daily outlook is neutral as investors await key inflation prints from the US tonight as well as MAS' monetary policy decision as well as 3Q advanced GDP on the Singapore front next Monday. US headline CPI is expected to ease to 2.3% in September from 2.5% previously, while core is expected to hold steady at 3.2% y/y.



	S2	S1	Indicative	R1	R2
USD/SGD	1.3042	1.3056	1.3067	1.3084	1.3098

MYR Crosses

SGD/MYR

SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.27% lower at 3.2747 before paring its losses and more to trade at 3.2872 at the point of writing. Daily outlook is neutral-to-slightly bullish on account of SGD strength against regionals this morning. Besides Singapore's monetary policy decision and advance 3Q GDP, key risk will be Malaysia's IPI and manufacturing sales print due end week which could give more clues on the state the economy for 3Q.

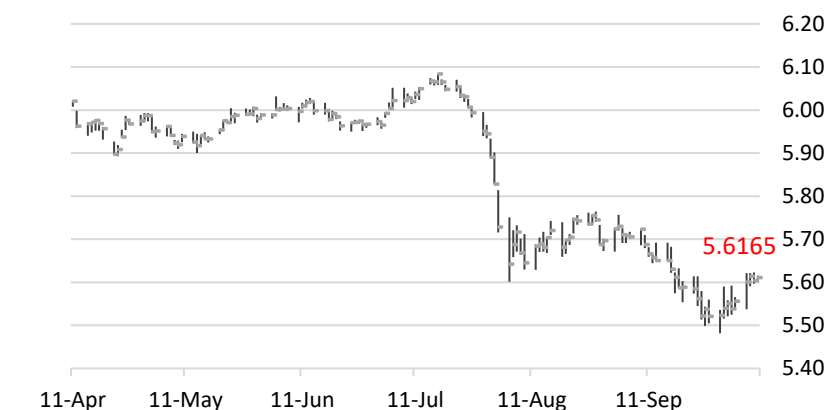


	S2	S1	Indicative	R1	R2
SGD/MYR	3.2570	3.2694	3.2872	3.2943	3.3067

GBP/MYR

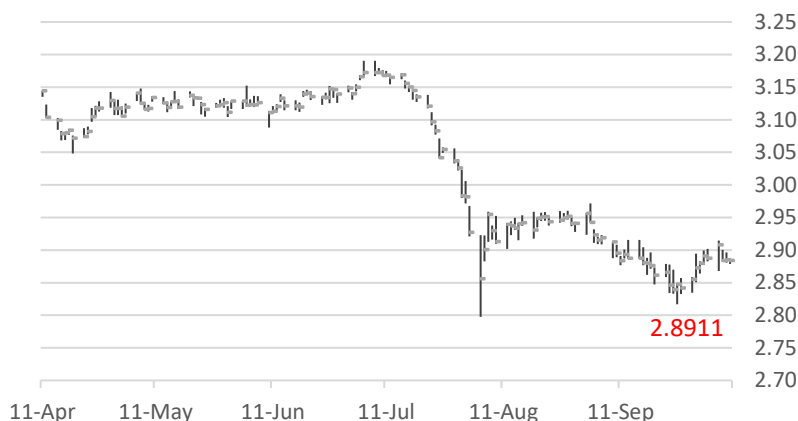
GBP/MYR Slightly Bullish

GBP/MYR opened 0.04% lower at 5.6012 before rebounding to 5.6165 at the point of writing. We have a slightly bullish outlook for this pair given GBP strength against regionals in early Asian trade, but trading will be largely cautious ahead of UK's GDP due on deck on Friday. As it is, the GBP/USD pair is also currently being traded with caution below the crucial resistance of 1.3100.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.5811	5.5950	5.6165	5.6230	5.6369

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.20% lower at 2.8789 before rebounding to 2.8911 at the point of writing. Daily outlook is neutral-to-slightly bullish on AUD strength after China's Finance Minister Lan Fo'An announced that he will introduce moves to strengthen its fiscal policy to support growth this Saturday, boding well with for its trading partner. Potentially capping gains is nonetheless scepticism amongst investors over the effectiveness of this policy.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.8746	2.8828	2.8911	2.8993	2.9117

Source: Bloomberg, HLBB Global Markets Research

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