11 March 2024

Global Markets Research

Daily Currency Outlook

USD/MYR

Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral

USD/MYR opened 0.07% lower at 4.6800, traded within the 4.6775-4.6875 band before settling at 4.6850 at the point of writing. Daily outlook is neutral as USD remains under pressure amidst the dip in shorter-term Treasury yields last Friday and mixed employment numbers, potentially offset by its oversold position and eyeing trading range between 4.6790-4.6890. This week, US price prints, both CPI and PPI for February will take centre stage in the absence of Fed speaks as we enter the blackout period. On the domestic front, we will be looking out for IPI and manufacturing sales numbers for January, which will shed more light on how the economy performed at the beginning of 2024.

1-Month Outlook – USD/MYR Neutral-to-Slightly Bearish

The USD/MYR outlook is neutral-to-slightly bearish in our view, as markets shifted to when and how much the Fed will ease its policy as price prints continue to moderate. However, we expect downside to be capped given the push-backs on rate cut bets to June, after the CPI prints and still resilient although less tight labour market, while forward looking indicators point to solid economic activity but this does not change our view that the Fed will only start cutting rates towards mid-2024. Domestically, MYR will be supported by expectations for an extended pause in OPR, as recovery in exports, sustained domestic demand and upside risk to inflation amid imminent subsidy cuts should shield BNM from any OPR cut.

	S2	S1	Indicative	R1	R2
USD/MYR	4.6732	4.6790	4.6850	4.6890	4.6933

USD/SGD

USD/SGD Neutral

USD/SGD opened 0.01% higher at 1.3312, traded within 1.3303-1.3317 before settling at 1.3315 at the point of writing. Daily outlook is neutral, eyeing trading range between 1.3300-1.3323 given a quiet week ahead on the Singapore front and while investors await US CPI later in the week, and taking into cognizance that the pair is oversold.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3295	1.3300	1.3315	1.3323	1.3337

MYR Crosses

SGD/MYR

SGD/MYR Neutral

SGD/MYR opened 0.09% lower at 3.5151, spiked to 3.5227 but quickly retreated near its previous close to 3.5188 at the point of writing. As such, we have a neutral view of this pair, eyeing trading range between 3.5139-3.5228. Potential supporting this pair today is its slightly oversold position while its next key risk being Malaysia's IPI and manufacturing sales data.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.5098	3.5139	3.5188	3.5228	3.5270

GBP/MYR

GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.14% higher at 6.0163 and strengthened further to 6.0209 at the point of writing. Daily outlook is neutral-to-slightly bullish as investors are generally bullish on GBP/USD as the UK economy is looking more resilient than expected, and thus is expected to keep its interest rates at its current levels for longer as compared to its G10 peers. Crucial week on the UK front with the labour data and monthly GDP on deck.

	S2	S1	Indicative	R1	R2
GBP/MYR	6.0126	6.0160	6.0209	6.0230	6.0282

AUD/MYR

AUD/MYR Slightly Bearish

AUD/MYR opened 0.37% lower at 3.1005 and slid to 3.0973 at the point of writing. Daily outlook is neutral-to-slightly bearish given the lower opening and as AUD/USD slid to 0.6611 at the point of writing. We are, nonetheless, eyeing support levels at 3.0940 (S1) and 3.0911 (S2) respectively. A quiet week ahead on the Aussie front with only the consumer confidence and household spending numbers for February due.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0911	3.0940	3.0973	3.1026	3.1083

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