

11 June 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral

USD/MYR opened 0.04% lower at 4.7210, rebounded to as high as 4.7253 before losing its lustre again to trade at 4.7227 at the point of writing. Daily outlook is neutral given the lack of catalyst today and with the broader markets pivoting their focus to the upcoming FOMC meeting, an update to the Fed's dot plot and before that, May's inflation numbers. Consensus is expecting headline CPI to hold steady at +3.4% y/y in May while core ease slightly to +3.5% y/y.

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	4.7181	4.7209	4.7227	4.7267	4.7315

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3526 before strengthening to 1.3533 at the point of writing. As this is a predominantly USD-driven pair and in the absence of economic drivers on the Singapore front, we have a neutral outlook for this pair, eyeing trading range between 1.3516-1.3544.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3502	1.3516	1.3533	1.3544	1.3558

MYR Crosses

SGD/MYR

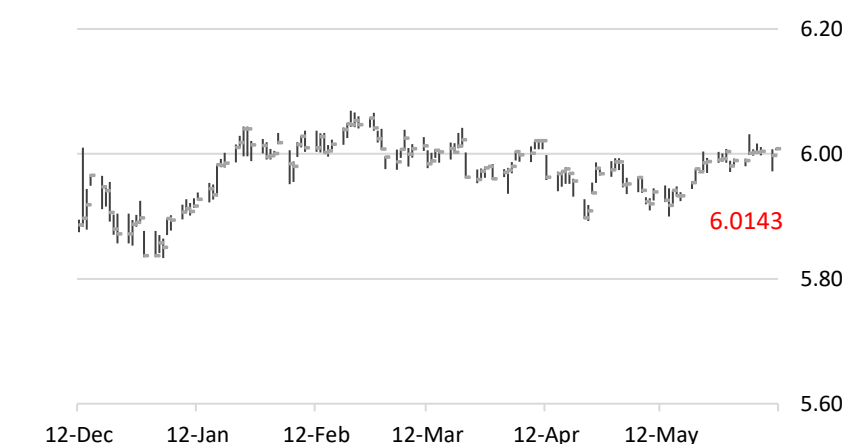


SGD/MYR Neutral

SGD/MYR opened 0.07% higher at 3.4914 before paring some of its gains to trade at 3.4906 at the point of writing. Daily outlook is neutral, eyeing trading range between 3.4867-3.4937, as investors adopt a wait-and-see attitude pending the CPI print release and FOMC meeting for the next direction in risk sentiment.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4832	3.4867	3.4906	3.4937	3.4972

GBP/MYR



GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.19% higher at 6.0082 and strengthened to 6.0143 at the point of writing. Daily outlook is neutral-to-slightly bullish given the higher opening and upper trajectory subsequent to that, but gains seen capped at 6.0180 (R1) and 6.0265 (R2) respectively as traders stay cautious ahead of the release of the UK employment report due to be released today.

	S2	S1	Indicative	R1	R2
GBP/MYR	6.0031	6.0079	6.0143	6.0180	6.0265

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.28% higher at 3.1194, traded within 3.1159-3.1200 before settling at 3.1198 at the point of writing. Daily outlook is neutral-to-slightly bullish given the higher opening, but gains seen capped at 3.1226 (R1) and 3.1267 (R2) given broad AUD weakness and after NAB Business Confidence and Conditions indices weakened to -3 and +6 respectively in May (Apr: +2 and +7).

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1144	3.1169	3.1198	3.1226	3.1267

Source: Bloomberg, HLBB Global Markets Research

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