

11 July 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bearish

USD/MYR opened 0.01% higher at 4.7000 before quickly retreating to 4.6918 at the point of writing. Daily outlook is neutral-to-slightly bearish on account of MYR strength, with all eyes on BNM holding the OPR steady today as upside risks to inflation emerged following the subsidy cuts. On the US front, sentiment against the greenback was also dampened by expectations of rate cuts following Fed Chair's Jerome Powell slightly dovish testimony, but losses likely capped given the upcoming CPI print today.

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

The USD/MYR outlook is neutral-to-slightly bearish 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. Nonetheless, Fed officials have repeated stressed the need for more good data on the inflation front, and as such, this 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 in the Middle-east 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	4.6795	4.6873	4.6918	4.7029	4.7107

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3489 before retreating slightly to 1.3479 at the point of writing. We prefer to stay neutral ahead of the US CPI print tonight and Singapore's 2Q GDP print tomorrow, eyeing trading range between 1.3466-1.3492.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3447	1.3466	1.3479	1.3492	1.3505

MYR Crosses

SGD/MYR



SGD/MYR Neutral

SGD/MYR opened 0.05% higher at 3.4869 but pared its gains and more to trade at 3.4809 at the point of writing. With BNM's monetary policy decision on deck today and Singapore's GDP print tomorrow, we prefer to stay neutral eyeing trading range between 3.4758-3.4877.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4698	3.4758	3.4809	3.4877	3.4936

GBP/MYR



GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.36% higher at 6.0417 before erasing some of its gains to trade at 6.0318 at the point of writing. Daily outlook is neutral-to-slightly bullish as the broader appeal for the GBP remains firms, especially since BOE's Chief Economist Huw Pill flagged persistent inflation risk, suggesting that he may not support an August rate cut.

	S2	S1	Indicative	R1	R2
GBP/MYR	6.0113	6.0232	6.0318	6.0469	6.0587

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.21% higher at 3.1739 before losing some of its lustre to trade at 3.1706 at the point of writing. Daily outlook is neutral-to-slightly bullish on AUD strength against regionals. Data this morning meanwhile, showed that both household spending intentions and consumer inflation expectations eased slightly during the month, but investors will most likely look ahead to the employment data next week.

	S2	S1	Indicative	R1	R
AUD/MYR	3.1535	3.1616	3.1706	3.1780	3.1863

Source: Bloomberg, HLBB Global Markets Research

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