11 September 2024

# Global Markets Research

## Daily Currency Outlook

**USD/MYR**


*Source: Bloomberg, HLBB Global Markets Research*

**Intraday Thoughts – Neutral-to-Slightly Bearish**

USD/MYR opened 0.07% lower at 4.3393 and slid to 4.3333 at the point of writing. Daily outlook is neutral-to-slightly bearish on continued good demand seen on the MYR, which is outperforming G10 and major regional currencies today thus far, continuing from yesterday's movement. The US presidential debate will drive the USD direction during the Asian session, but the currency pair could find support at 4.3282 (S1) and 4.3222 (S2) ahead of US August CPI numbers later this evening, which could have implications on the FOMC's decision and tone next week. Domestically, there is nothing scheduled on the economic data front for the day ahead.

**1-Month Outlook – USD/MYR Neutral-to-Slightly Bullish**

The USD/MYR outlook is neutral as the pair consolidates after the recent MYR rally, which will more than offset expectations of broad USD weakness going forward, the latter weighed down by a cooling labour prints, further signs of disinflation, gradual weakening in economic conditions in 3Q and more importantly, strongest ever signals for a September rate cut. This kept market pencilling in 25-50bps rate cuts in the September FOMC meeting and at least 4 rate cuts by end-2024 at the point of writing, narrowing the interest rate differentials between the US and Malaysia. This is, however, more aggressive than our expectations of 25bps in September and 75bps by end 2024, thus explaining our view that the USD will remain supported. Domestically, MYR will be supported by expectations for an extended pause in the OPR, as favourable growth prospects should shield BNM from any OPR cut.

| | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| USD/MYR | 4.3222 | 4.3282 | 4.3333 | 4.3420 | 4.3498 |

## USD/SGD


**USD/SGD Neutral-to-Slightly Bearish**

USD/SGD flat at 1.3046 and descended to 1.3025 at the point of writing. Daily outlook is neutral-to-slightly bearish today as the USD started the day on the back foot as the US presidential debate takes place. This pair will nonetheless, draw some significant support at 1.3000 (S1) today, ahead of key US CPI data this evening.

| | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| USD/SGD | 1.2965 | 1.3000 | 1.3025 | 1.3050 | 1.3070 |

# MYR Crosses

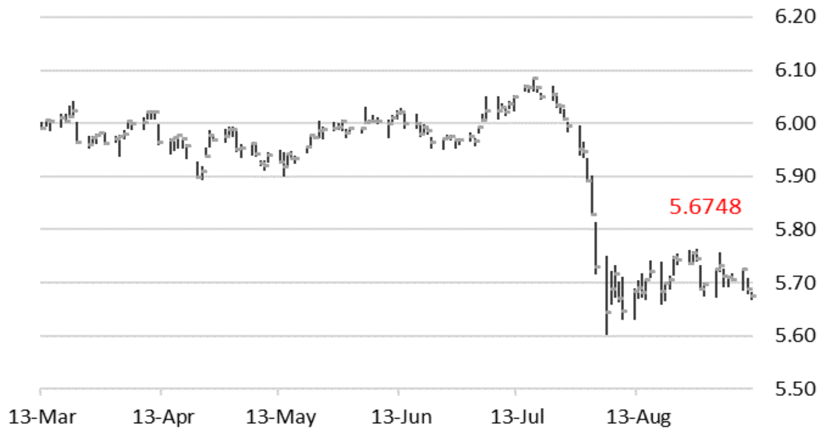
## SGD/MYR


**SGD/MYR Neutral**

SGD/MYR opened 0.06% higher at 3.3295 but retreated to 3.3274 at the point of writing, a touch below the previous close. Daily outlook is neutral today, amidst an empty economic data calendar for both countries, and ahead of key US CPI data tonight. Support for the cross comes in at 3.3239 (S1) today while resistance is seen above at 3.3318 (R1).

| | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| SGD/MYR | 3.3199 | 3.3239 | 3.3274 | 3.3318 | 3.3353 |

## GBP/MYR

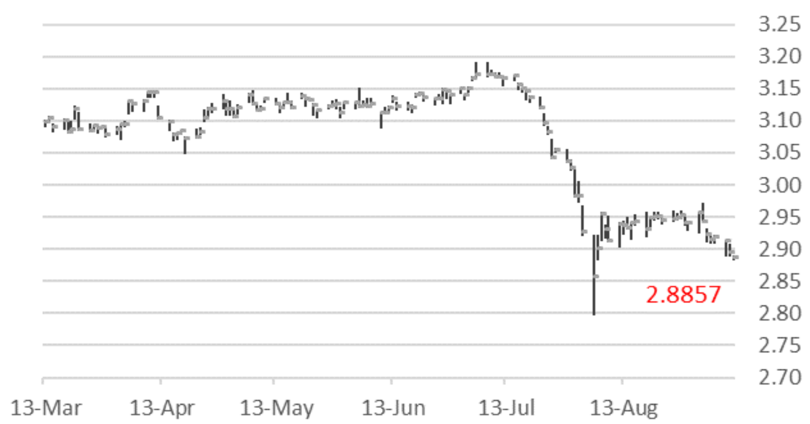



**GBP/MYR Neutral-to-Slightly Bearish**

GBP/MYR opened 0.20% lower at 5.6760 and slid further to 5.6748 at the point of writing. Daily outlook is neutral-to-slightly bearish on MYR strength. Today sees the release of monthly UK GDP data, manufacturing production and trade numbers for July, all of which may have an impact on the cross. Support is seen below at 5.6698 (S1) and 5.6613 (S2) respectively.

| | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| GBP/MYR | 5.6613 | 5.6698 | 5.6748 | 5.6839 | 5.6901 |

## AUD/MYR




**AUD/MYR Neutral**

AUD/MYR opened 0.27% lower at 2.8871 and slid further to 2.8857 at the point of writing. Daily outlook is neutral as the cross is expected to see good demand at current levels, with strong support around the 2.8825 (S1). The economic data calendar of both countries are empty today, but AUDUSD could be influenced somewhat by China money supply data today.

| | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| AUD/MYR | 2.8781 | 2.8825 | 2.8857 | 2.8912 | 2.8955 |

*Source: Bloomberg, HLBB Global Markets Research*

**Hong Leong Bank Berhad**
Fixed Income & Economic Research, Global Markets
Level 8, Hong Leong Tower
6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
Tel: 603-2081 1221
Fax: 603-2081 8936
Email:

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