

11 October 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bearish

USD/MYR opened 0.05% lower at 4.2902 and slid to 4.2863 at the point of writing. Daily outlook is neutral-to-slightly bearish on MYR strength today, likely signalling that Malaysia’s IPI print due at noon may outpace consensus forecasts of 5.5% y/y for the month of September (prior: 5.3% y/y). Potentially capping gains are the uptick in the inflation rate and jobless claims overnight in the US, which has resulted in investors turning cautious over the pace of rate cuts overnight and after Atlanta Fed President Raphael Bostic also commented that he was open to cutting interest rates by 25bps or standing pat at November’s rate meeting depending on how the economic outlook revolves, thus supporting the Dollar. Next up on deck are the producer prices and University of Michigan Sentiment indicators over in the US.

1-Month Outlook – USD/MYR Neutral

The USD/MYR outlook is neutral as the pair consolidates after the recent MYR rally, and as the traders continue to trade cautiously in USD on uncertainties over the pace of rate cuts following the higher-than-expected price prints and more resilient than expected labour data released recently. 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	4.2786	4.2830	4.2863	4.2918	4.2962

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3056, traded within a narrow range of 1.3051-1.3063 before settling at 1.3061 at the point of writing. Daily outlook is neutral because of this and ahead of MAS policy decision and release of Singapore's advanced GDP print next week. MAS is expected to maintain its policy stance unchanged, and the economy to expand at a faster pace of 3.8% y/y from 2.9% y/y previously.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3034	1.3046	1.3061	1.3070	1.3082

MYR Crosses

SGD/MYR



SGD/MYR Neutral

SGD/MYR opened 0.13% higher at 3.2868 before paring some of its gains to trade at 3.2833 at the point of writing. We have a neutral outlook for this pair pending the release of Malaysia's IPI print at noon, eyeing trading range between 3.2780-3.2894 today.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.2723	3.2780	3.2833	3.2894	3.2951

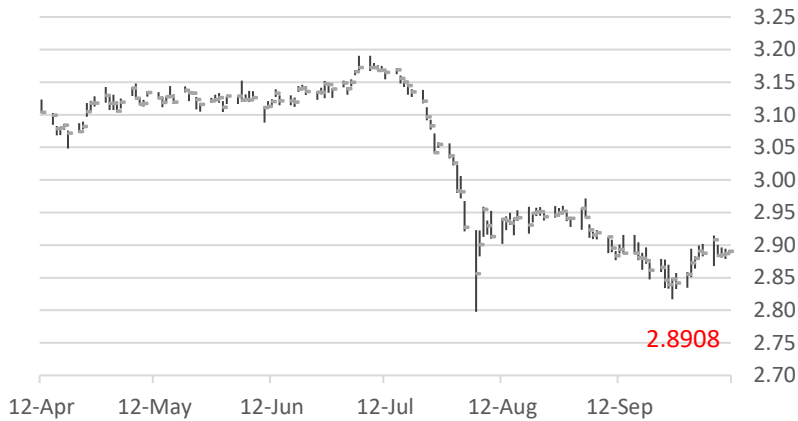
GBP/MYR



GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.17% lower at 5.6037 and slid to 5.5989 at the point of writing. Daily outlook is neutral-to-slightly bearish given MYR strength and GBP weakness against regionals, but investors likely watchful ahead of the release of UK's August monthly GDP data today. As it is, consensus is expecting to grow at a faster pace of 0.2% m/m in August from a flat growth the prior month.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5848	5.5921	5.5989	5.6068	5.6141

AUD/MYR

AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.19% higher at 2.8923 before paring some of its gains to trade at 2.8908 at the point of writing. Daily outlook is neutral-to-slightly bullish as AUD/USD continued to trade around the 0.6740 level in early Asian trade. We will however, be watching out for any shifts in sentiment following the potentially unveiling of China stimulus over the weekend which could dent or boost appetite for AUD next week.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.8823	2.8862	2.8908	2.8940	2.8978

Source: Bloomberg, HLBB Global Markets Research

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