

12 June 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral

USD/MYR opened flat at 4.7190 and dipped to 4.7148 at the point of writing. Daily outlook is neutral as investors stay cautious with the US inflation data and Fed decision just a few hours away. As it is, the Fed is broadly expected to hold interest rates today, but markets will be looking into the latest dot plot to see if the Fed is still expecting to deliver some rate cuts in 2024. With this, we are eyeing a narrow trading range between 4.7103 and 4.7193 today.

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	4.7037	4.7103	4.7148	4.7193	4.7235

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3530, traded within 1.3524-1.3535 before settling just shy of its opening at 1.3528 at the point of writing. With forex trading largely muted ahead of US CPI and FOMC meeting today, we have a neutral outlook for this pair, eyeing trading range between 1.3517-1.3540 respectively.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3506	1.3517	1.3528	1.3540	1.3552

MYR Crosses

SGD/MYR

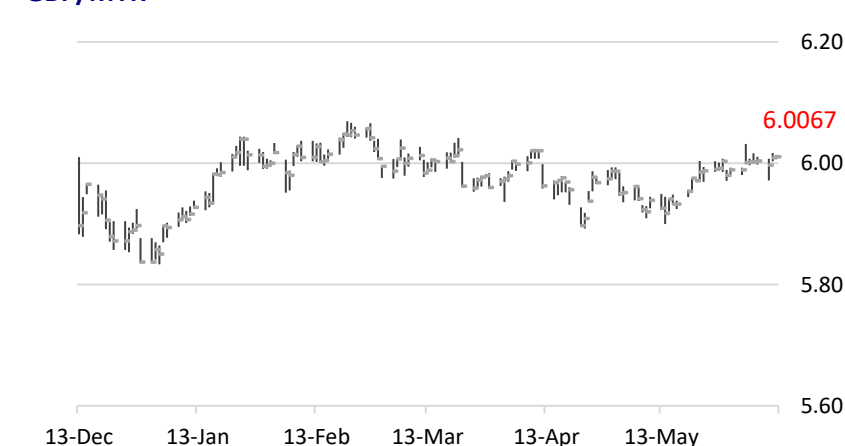


SGD/MYR Neutral

SGD/MYR opened flat at 3.4876 and weakened to 3.4855 at the point of writing. Daily outlook is neutral for this pair, eyeing trading range between 3.4821-3.4918 pending Fed's decision and CPI data, and in the absence of drivers on both sides of the border.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4773	3.4821	3.4855	3.4918	3.4967

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.04% higher at 6.0119 but quickly pared its gains and more to trade at 6.0067 at the point of writing. Daily outlook is neutral, as GBP/USD oscillates around the 1.2740 level during early Asian session, as investors stay cautious ahead of the FOMC meeting and US CPI, as well as monthly GDP for UK as well. As it is, the economy is expected to log a mild 0.1% m/m contraction in April as compared to +0.4% m/m previously.

	S2	S1	Indicative	R1	R2
GBP/MYR	6.0014	6.0041	6.0067	6.0121	6.0173

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.19% higher at 3.1182, strengthened to as high as 3.1210 before retreating to 3.1204 at the point of writing. Daily outlook is neutral-to-slightly bullish as AUD/USD traded with mild gains at 0.6615 at the point of writing after data this morning showed that China's consumer prices rose for the fourth month, albeit softer than expected at +0.3% y/y in May.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1108	3.1153	3.1204	3.1255	3.1329

Source: Bloomberg, HLBB Global Markets Research

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