

14 February 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

**Intraday Thoughts – Slightly Bullish**

USD/MYR opened 0.08% higher at 4.7670 and strengthened further to 4.7843 at the point of writing. Daily outlook is slightly bullish as a stronger than expected US inflation data is expected to bolster USD today, while emerging Asian currencies are set to join a slump tracking the majors overnight. Today will be data light with only the US mortgage applications on deck, but we will be closely watching out for the retail sales data tomorrow.

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

The USD/MYR outlook is neutral-to-slightly bearish in our view, as markets shifted to when and how much the Fed will ease its policy as price prints continue to moderate. However, we expect downside to be capped given the push-backs on rate cut bets, after the CPI prints and labour data came in stronger than expected, while forward looking indicators point to solid economic activity but this does not change our view that the Fed will only start cutting rates towards mid-2024. Domestically, MYR will be supported by expectations for an extended pause in OPR, as recovery in exports, sustained domestic demand and upside risk to inflation amid imminent subsidy cuts should shield BNM from any OPR cut.

	S2	S1	Indicative	R1	R2
USD/MYR	4.7474	4.7554	4.7843	4.8093	4.8563

## USD/SGD



### USD/SGD Neutral

USD/SGD opened flat at 1.3511 before trending lower at 1.3504 at the point of writing. Daily outlook is neutral in a tug of war between USD and SGD strength, eyeing trading range between 1.3460-1.3544. On top of Budget 2024, Singapore is set to publish the final 4Q GDP print this week followed by the NODX data for January. As it is, consensus is expecting 4Q GDP to be revised downwards to 1.3% q/q and 2.4% y/y respectively and this will not bode well for SGD.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3408	1.3460	1.3504	1.3544	1.3576

## MYR Crosses

### SGD/MYR



### SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.41% lower at 3.5255 before paring all its losses to trade at 3.5430 at the point of writing. Daily outlook is neutral-to-slightly bullish on account of SGD strength against its regional peers, but upside is capped by R1 and R2 at 3.5504 and 3.5605 respectively

	S2	S1	Indicative	R1	R2
SGD/MYR	3.5302	3.5351	3.5430	3.5504	3.5605

### GBP/MYR



### GBP/MYR Neutral

GBP/MYR opened 0.44% lower at 6.0009 before erasing some of its losses to trade at 6.0270 at the point of writing. Daily outlook is neutral given the significantly lower opening being offset by expectations that GBP will outshine its peers on the stronger than expected wage growth overnight.

	S2	S1	Indicative	R1	R2
GBP/MYR	6.0091	6.0210	6.0270	6.0396	6.0515

## AUD/MYR



## AUD/MYR Slightly Bearish

AUD/MYR opened 0.92% lower at 3.0754 before erasing some of its losses to trade at 3.0882 at the point of writing. Daily outlook is slightly bearish given the lower opening as well as on expectations that AUD will be weighed down by a risk-off sentiment after the spike in UST yields. As it is, the AUD/USD slid to 0.6455 at the point of writing from its intraday high of 0.6534 overnight. Next hurdle on the AUD front will be the employment numbers tomorrow.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0434	3.0722	3.0882	3.1110	3.1181

Source: Bloomberg, HLBB Global Markets Research

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