

14 March 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral

USD/MYR opened 0.05% lower at 4.6838 before paring its losses and more to trade at 4.6875 at the point of writing. Daily outlook is neutral as the USD continued to trade within a narrow range as investors await a fresh look on how US consumers fared, with February's retail sales data on deck today on top of producer prices. It will also be a tug of war between its oversold position versus a sell-off in haven currencies overnight, eyeing a tight trading range between 4.6845-4.6891.

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 to June, after the CPI prints and still resilient although less tight labour market, 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	4.6816	4.6845	4.6875	4.6891	4.6907

USD/SGD

USD/SGD Neutral

USD/SGD opened flat at 1.3323, traded within a narrow band of 1.3317-1.3326 before settling at 1.3325 at the point of writing. As we expect SGD to slide alongside haven currencies, we have a neutral outlook for this pair, eyeing trading range between 1.3314-1.3332. Key risk for this pair will be on the USD front, where retail sales is expected to rebound to +0.8% m/m, while producer prices to accelerate to +1.2% y/y (Jan: -0.8% m/m and +0.9% y/y).



	S2	S1	Indicative	R1	R2
USD/SGD	1.3305	1.3314	1.3325	1.3332	1.3341

MYR Crosses

SGD/MYR

SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.10% higher at 3.5181, largely oscillated around the opening level before settling at 3.5182 at the point of writing. Daily outlook is neutral-to-slightly bullish given its higher opening and oversold position, facing R1 and R2 at 3.5197 and 3.5230 respectively. It will be an empty calendar for both sides of the borders, and as such, risks for this pair will be risk- and USD-driven.



	S2	S1	Indicative	R1	R2
SGD/MYR	3.5098	3.5131	3.5182	3.5197	3.5230

GBP/MYR

GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.14% higher at 5.9971 and strengthened to 6.0003 at the point of writing. Daily outlook is neutral-to-slightly bullish given the higher opening, but gains appeared to be largely capped after GBP shrugged off data showing Britain's economy returned to growth in January, keeping GBP/USD supported around the 1.2800 mark in Asian morning session.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.9863	5.9912	6.0003	6.0010	6.0059

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.25% higher at 3.1048 and strengthened to 3.1079 at the point of writing. Daily outlook is neutral-to-slightly bullish on AUD strength, as the AUD/USD continued to trade above the 0.6620 level this morning. Gains is potentially capped at 3.1088 (R1) and 3.1136 (R2) given its overbought position.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0991	3.1016	3.1079	3.1088	3.1136

Source: Bloomberg, HLBB Global Markets Research

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damansara

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email:

DISCLAIMER

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis of a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter.

Potential and actual conflict of interest may arise from the activities of HLB Group. HLB Group constitute a diversified financial services group. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and other activities for their own account or the account of others. In the ordinary course of their business, HLB Group may effect transactions for their own account or for the account of their customers and hold long or short positions in the financial instruments. HLB Group, in connection with its business activities, may possess or acquire material information about the financial instruments. Such activities and information may involve or have an effect on the financial instruments. HLB Group have no obligation to disclose such information about the financial instruments or their activities.

The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favorable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.