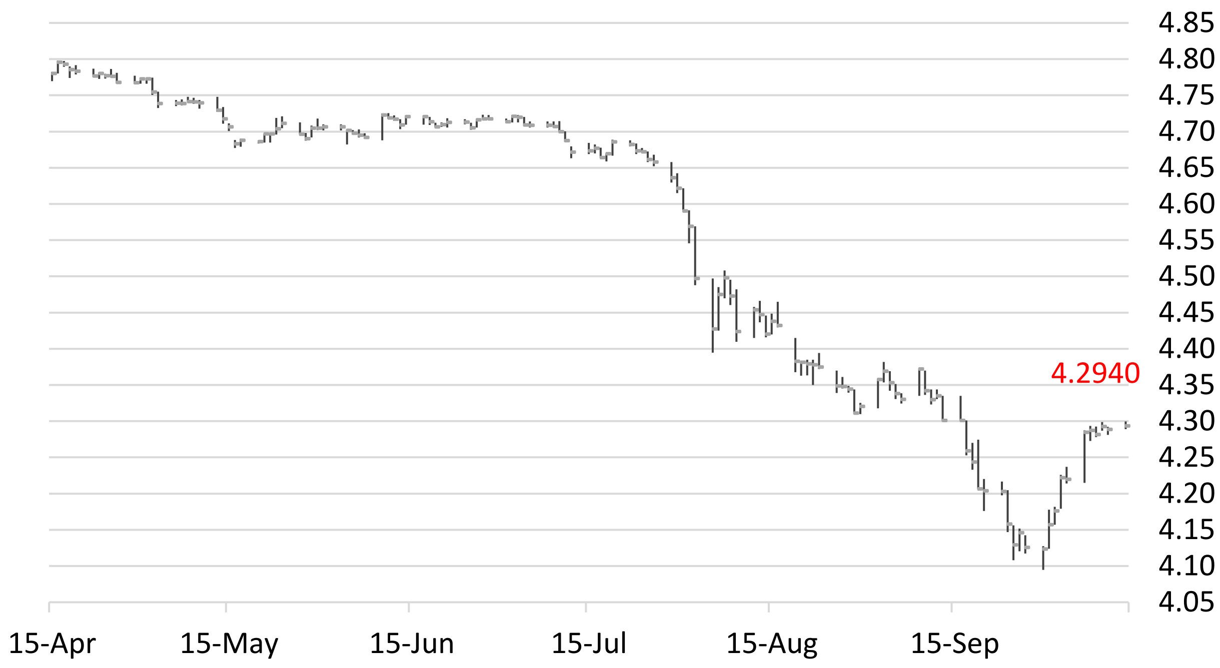
14 October 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

USD/MYR opened 0.01% higher at 4.2892, strengthened to as high as 4.2995 before retreating to 4.2940 at the point of writing. Daily outlook is neutral-to-slightly bullish given the upper trajectory post opening, but gains likely capped as MYR will be supported by optimism that the government will maintain its fiscal discipline and deficit below 4.0% at Budget 2025. On the US front, we expect trading in USD to be largely quiet today as currency moves post PPI print were largely muted and the bond market will be closed for Columbus Day.

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	4.2734	4.2839	4.2940	4.3045	4.3148

USD/SGD

USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened 0.08% higher at 1.3058 and spiked to as high as 1.3077 before MAS monetary policy decision this morning. The pair fell to as low as 1.3048 after MAS decision but has since rebounded to 1.3065 at the point of writing. We are neutral-to-slightly bullish given that the pair is trading above its prior close, but expect gains to be capped given that MAS maintained its tight monetary stance this morning.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3019	1.3041	1.3065	1.3085	1.3107

MYR Crosses

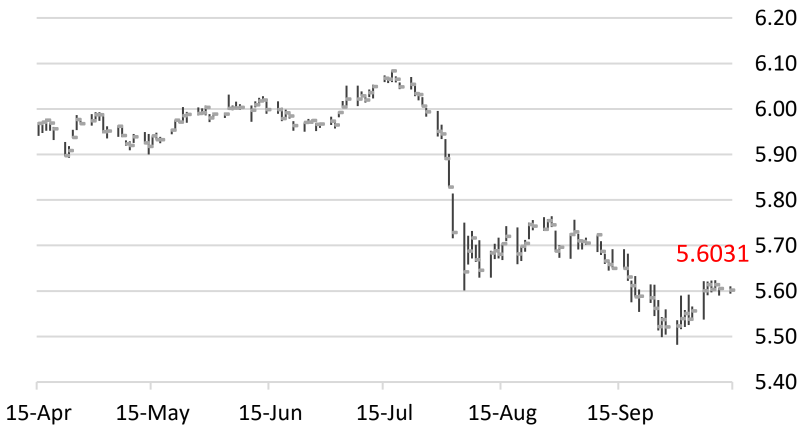
SGD/MYR

SGD/MYR Neutral

SGD/MYR opened 0.05% lower at 3.2825, spiked to 3.2929 following MAS policy decision and after its 3Q GDP beat forecasts at 4.1% y/y. The pair, has, nonetheless, retreated to 3.2868 at the point of writing and as such, we have a neutral outlook for this pair today. Next up on the Singapore front will be its NODX print later in the week.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.2637	3.2753	3.2868	3.2985	3.3101

GBP/MYR

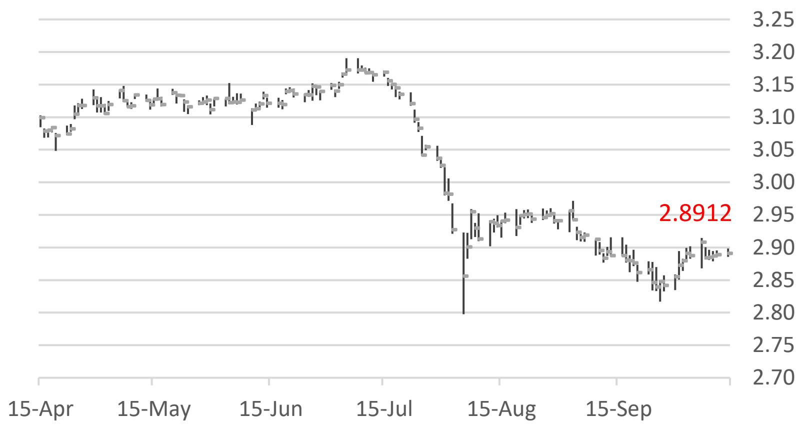


GBP/MYR Neutral

GBP/MYR opened 0.11% lower at 5.5996 before paring its losses to trade at 5.6031 at the point of writing. Daily outlook is neutral as GBP/USD pair trades with caution below the crucial resistance of 1.3100 in early Asian trade, but losses likely capped given that data showed that the UK economy resumed its growth in August. A busy week on the British soil this week, with UK jobs report and price prints scheduled for release.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5685	5.5850	5.6031	5.6180	5.6345

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.02% lower at 2.8882 before rebounding to 2.8912 at the point of writing. Daily outlook is neutral despite the uptick as we expect this upward trajectory post opening will be negated by expectations of AUD weakness after its largest trading partner, China continued to battle with deflationary pressures and after its policy briefing over the weekend underwhelmed investors. Key risk on the Aussie front this week will be its employment numbers due later in the week and China first tier data including 3Q GDP.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.8655	2.8783	2.8912	2.9039	2.9167

Source: Bloomberg, HLBB Global Markets Research

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