15 October 2024

Global Markets Research

Daily Currency Outlook

USD/MYR

Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral

USD/MYR opened 0.03% higher at 4.2985 before retreating slightly to 4.2968 at the point of writing. Daily outlook is neutral given that the pair has traded range bound between 4.2952-4.3003 this morning and in the absence of meaning economic data on the US front until Thursday's retail sales. It will also be a tug of war on optimism over the Dollar after DXY notched its 10-week high and amid expectations of modest rate cuts going forward rather than jumbo ones, as well as a MYR which may benefit from expectations that officials will upwardly revise its 2024 GDP forecast yet rein on its budget deficit during the unveiling of Budget 2025 at end-week.

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	4.2872	4.2923	4.2968	4.3025	4.3076

USD/SGD

USD/SGD Neutral-to-Slightly Bearish

USD/SGD opened flat at 1.3085 before sliding to 1.3052 at the point of writing. Daily outlook is neutral-to-slightly bearish on SGD strength this morning after Singapore's 3Q GDP beat and after MAS maintained its gradually appreciating stance for its SGD in its latest monetary policy meeting.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3053	1.3066	1.3072	1.3084	1.3092

MYR Crosses

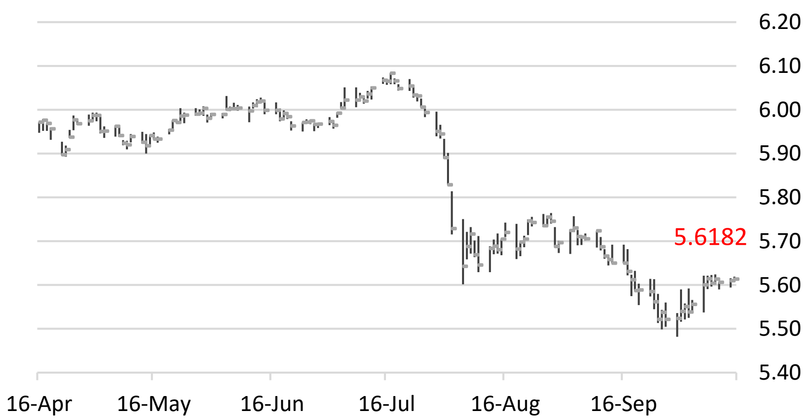
SGD/MYR

SGD/MYR Neutral

SGD/MYR opened 0.11% lower at 3.2850 before paring some of its losses to trade a 3.2860 at the point of writing. We have a neutral outlook for this pair today with the losses from the lower opening expected to narrow on SGD strength, eyeing trading range between 3.2814-3.2904 today. Key risk for this pair this week will be their trade numbers due later in the week.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.2769	3.2814	3.2860	3.2904	3.2949

GBP/MYR



GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.17% higher at 5.6189 before erasing its gains slightly to trade at 5.6182 at the point of writing. Daily outlook is neutral-to-slightly bullish as the GBP/USD drifts higher in early morning trade at 1.3067 at the point of writing, but will be watching out for UK's labour and wages data due today. As it is, both have softened but remained resilient overall.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5982	5.6065	5.6182	5.6234	5.6314

AUD/MYR

AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.10% higher at 2.8919 and strengthened to 2.8952 at the point of writing. Daily outlook is neutral-to-slightly bullish on AUD strength against regionals, but will face some downward pressure on pessimism over its largest trading partner, China. Key risk for this pair this week is Australia's labour data, which unemployment rate is expected to hold steady at 4.2% as well as China's 3Q GDP where expectations is that it will ease to +4.5% y/y from +4.7% y/y previously.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.8784	2.8842	2.8952	2.8958	2.9016

Source: Bloomberg, HLBB Global Markets Research

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