

16 April 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

**Intraday Thoughts – Neutral-to-Slightly Bullish**

USD/MYR opened flat at 4.7802 and strengthened to 4.7920 at the point of writing. Daily outlook is neutral-to-slightly bullish in anticipation of USD strength, supported by higher Treasury yields overnight post the stronger than expected retail sales data while investors’ concerns over the escalation in the Middle East conflict further lends additional support for the safe-haven USD. Nonetheless, we expect gains to be largely capped as the pair approaches its overbought position and after the central bank reiterated its support for MYR. BNM said that they are ready to deploy the tools at their disposal to ensure the Malaysian financial markets remain orderly and continue to function efficiently. Key risk today will be the US IPI as well as housing indicators.

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

The USD/MYR outlook is neutral-to-slightly bearish in our view as the pair is veering into overbought territory with the recent rise in the Dollar. This comes after the market dialled back expectations of the magnitude and timing of Fed rate reductions to 1-2 cuts this year after a slew of still solid economic data and amidst an uneven disinflation path. 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. 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	4.7679	4.7769	4.7920	4.7950	4.8041

## USD/SGD

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

USD/SGD opened flat at 1.3630 before trending up to 1.3658 at the point of writing. Again, we have a neutral-to-slightly bullish outlook for this pair on account of USD strength, but gains capped at 1.3676 (R1) and 1.3695 (R2) given its slightly overbought position. Next hurdle for the Singapore front is its NODX data tomorrow.



	S2	S1	Indicative	R1	R2
USD/SGD	1.3599	1.3628	1.3658	1.3676	1.3695

## MYR Crosses

### SGD/MYR

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

SGD/MYR opened 0.19% lower at 3.5065 but pared some of its losses to trade at 3.5087 at the point of writing. Daily outlook is neutral-to-slightly bearish, eyeing support levels at 3.5025 (S1) and 3.4959 (S2) respectively. While SGD will benefit from its haven status amongst regional currencies, this could be offset by the elevated oil prices and BNM support on the MYR front.



	S2	S1	Indicative	R1	R2
SGD/MYR	3.4959	3.5025	3.5087	3.5158	3.5224

### GBP/MYR

### GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.28% lower at 5.9514 but quickly erased some of its losses to trade at 5.9562 at the point of writing. Daily outlook is neutral to slightly bearish on account of the lower opening and GBP/USD failing to find acceptance above the 1.2500 level. Key risk today will be the UK's employment numbers, where consensus is expecting unemployment rate to inch up to 4.0%, payrolled employees change to stay steady at +20k and average weekly earnings to decelerate to +5.5% y/y.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.9386	5.9465	5.9562	5.9623	5.9702

**AUD/MYR**

**AUD/MYR Neutral-to-Slightly Bearish**

AUD/MYR opened 0.60% lower at 3.0799 and slid to 3.0724 at the point of writing. Daily outlook is neutral-to-slightly bearish given the lower opening and as risk appetite for AUD is dented by escalating tension in the Middle East. Key risk today is the slew of economic data on the China front, especially 1Q GDP which could sway the pair.

Cess	S2	S1	Indicative	R1	R2
AUD/MYR	3.0473	3.0606	3.0724	3.0797	3.0872

Source: Bloomberg, HLBB Global Markets Research

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