16 October 2024

Global Markets Research

Daily Currency Outlook

USD/MYR

Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral

USD/MYR opened flat at 4.3100, strengthened to as high as 4.3162 before losing its momentum to trade at 4.2998 at the point of writing. Daily outlook is neutral, eyeing trading range between 4.2887-4.3107 today as the sudden spurt in DXY as Trump vowed more tariffs to support growth proved short-lived. Malaysia's Budget 2025 and US retail sales data are also on deck this week, which should keep investors at bay. As it is, consensus is expecting sales to pick up 0.3% m/m in September from 0.1% m/m previously.

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	4.2722	4.2887	4.2998	4.3107	4.3217

USD/SGD

USD/SGD Neutral

USD/SGD opened flat at 1.3093 before sliding to 1.3086 at the point of writing. We are neutral for this pair today, eyeing trading range between 1.3075-1.3115 in the absence of 1st tier data for both the US and Singapore today.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3055	1.3075	1.3086	1.3115	1.3135

MYR Crosses

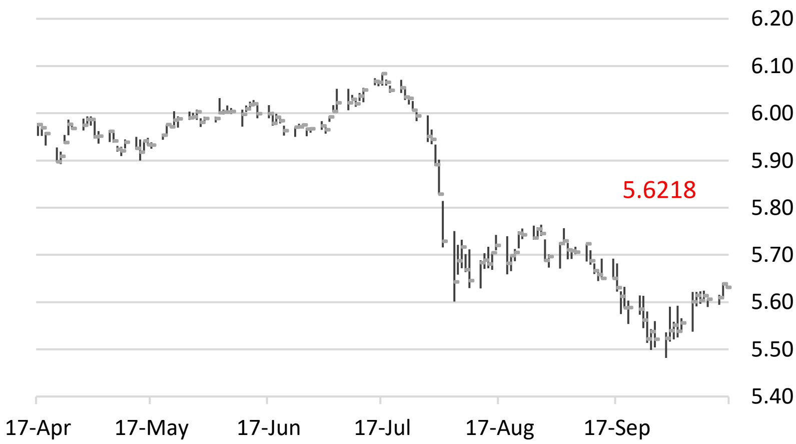
SGD/MYR

SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.12% lower at 3.2905 and slid to 3.2864 at the point of writing. Daily outlook is neutral-to-slightly bearish on MYR strength and SGD weakness against regionals this morning, with support levels seen at 3.2828 (S1) and 3.2793 (S2) respectively.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.2793	3.2828	3.2864	3.2924	3.2985

GBP/MYR

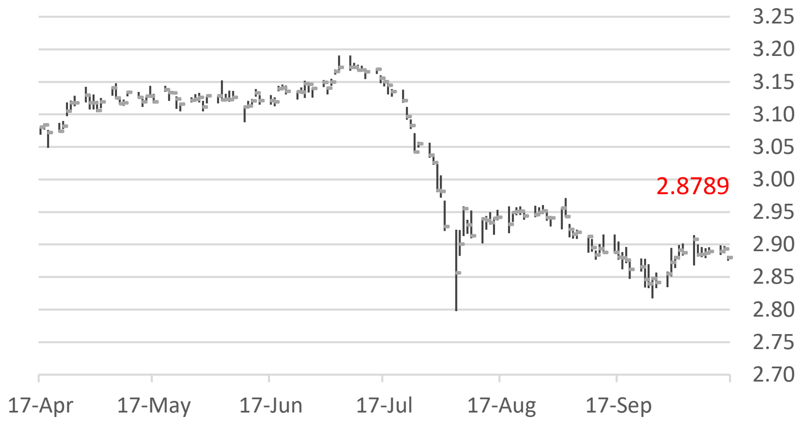


GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.13% lower at 5.6308 before sliding to 5.6218 at the point of writing. Daily outlook is neutral-to-slightly bearish as the slowest wage growth in 2 years keeps BOE rate cut bets on the table, but losses likely to be capped should price prints due to be released this afternoon surprise on the upside. As it is, consensus is expecting CPI to ease to 1.9% y/y in September from 2.2% y/y previously.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6075	5.6193	5.6218	5.6429	5.6547

AUD/MYR



AUD/MYR Bearish

AUD/MYR opened 0.53% lower at 2.8776 before paring some of these losses to trade at 2.8789 at the point of writing. Daily outlook is bearish as AUD/USD pair faced selling pressure at 0.6688 on increased risk aversion, ongoing concerns over China's economy and lower oil prices overnight. Potentially capping losses today is the rebound in Australia's leading index and cautiousness ahead of Australia's labour data tomorrow.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.8635	2.8707	2.8789	2.8851	2.8923

Source: Bloomberg, HLBB Global Markets Research

Hong Leong Bank Berhad
Fixed Income & Economic Research, Global Markets
Level 8, Hong Leong Tower
6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
Tel: 603-2081 1221
Fax: 603-2081 8936
Email:

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