

17 April 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

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

USD/MYR opened 0.04% lower at 4.7940 and slid to 4.7920 at the point of writing. Daily outlook is neutral-to-slightly bearish as the pair closes the gap towards the overbought mark, but losses seen as capped after Fed Chair Jerome Powell’s more hawkish tone overnight. Powell commented that there has been a lack of further progress on the inflation front, thus pointing to the further unlikelihood that interest rate cuts are in the offing anytime soon and supporting USD. Key risk and focus today will be on the Beige Book report, and we are eyeing possible support levels of 4.7877 (S1) and 4.7834 (S2) respectively.

**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 | 4.7834 | 4.7877 | 4.7920     | 4.7962 | 4.8004 |

## USD/SGD

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

USD/SGD opened flat at 1.3650 and slid to 1.3639 at the point of writing. Despite the downtick, the pair at this level remains slightly overbought and thus, we have a neutral-to-slightly bearish outlook for this pair eyeing support levels at 1.3631 (S1) and 1.3624 (S2).



|         | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| USD/SGD | 1.3624 | 1.3631 | 1.3639     | 1.3648 | 1.3659 |

## MYR Crosses

### SGD/MYR

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

SGD/MYR opened 0.01% lower at 3.5142 and slid to 3.5136 at the point of writing. We have a neutral-to-slightly bearish outlook for this pair on expectations than the worse than expected tumble in Singapore's NODX data this morning could potentially lower demand for SGD. This pair is potentially supported at 3.5076 (S1) and 3.5031 (S2) respectively.



|         | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| SGD/MYR | 3.5031 | 3.5076 | 3.5136     | 3.5163 | 3.5207 |

### GBP/MYR

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

GBP/MYR opened 0.23% lower at 5.9576 and slid further to 5.9562 at the point of writing. Daily outlook is neutral-to-slightly bearish as GBP/USD remains on the defensive above 1.2400 level, with eyes on UK CPI data today. As it is, consensus is expecting March headline and core CPI to ease to +3.1% y/y and +4.1% y/y respectively.



|         | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| GBP/MYR | 5.9429 | 5.9492 | 5.9562     | 5.9617 | 5.9679 |

**AUD/MYR**

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

AUD/MYR opened 0.15% lower at 3.0736 but quickly pared some of its losses to trade at 3.0743 at the point of writing. We have a neutral-to-slightly bearish view for this pair given its lower opening, but losses seen capped at 3.0684 (S1) and 3.0636 (S2) respectively as AUD/USD pared some of its recently losses post China's 1Q GDP upward surprise.

| Cess    | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| AUD/MYR | 3.0636 | 3.0684 | 3.0743     | 3.0779 | 3.0826 |

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