

17 September 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bearish

USD/MYR opened 0.02% lower at 4.3005 and slid to 4.2970 at the point of writing. Daily outlook is neutral-to-slightly bearish today given the USD weakness overnight during the long weekend domestically, amidst ex-Fed officials calling for aggressive action at the upcoming FOMC, leading to futures markets pricing in a greater chance of a 50bps reduction. Later tonight sees the release of US retail sales and industrial production for August as well as the latest monthly NAHB Housing Market index, while the data calendar is empty domestically. Trading is expected to be in thin conditions as many still out for the long weekend.

1-Month Outlook – USD/MYR Neutral-to-Slightly Bullish

The USD/MYR outlook is neutral as the pair consolidates after the recent MYR rally, which will more than offset expectations of broad USD weakness going forward, the latter weighed down by a cooling labour prints, further signs of disinflation, gradual weakening in economic conditions in 3Q and more importantly, strongest ever signals for a September rate cut. This kept market pencilling in 25-50bps rate cuts in the September FOMC meeting and at least 4 rate cuts by end-2024 at the point of writing, narrowing the interest rate differentials between the US and Malaysia. This is, however, more aggressive than our expectations of 25bps in September and 75bps by end 2024, thus explaining our view that the USD will remain supported. Domestically, MYR will be supported by expectations for an extended pause in the OPR, as favourable growth prospects should shield BNM from any OPR cut.

	S2	S1	Indicative	R1	R2
USD/MYR	4.2783	4.2875	4.2970	4.3071	4.3245

USD/SGD



USD/SGD Neutral-to-Slightly Bearish

USD/SGD opened flat at 1.2953 and inched higher to 1.2958 at the point of writing. Daily outlook is neutral-to-slightly bearish given USD weakness overnight and strong showing by the Singapore electronic sector, which recorded a further improvement in export numbers in August despite the weaker than expected overall exports numbers for the month.

	S2	S1	Indicative	R1	R2
USD/SGD	1.2918	1.2942	1.2958	1.2988	1.3016

MYR Crosses

SGD/MYR

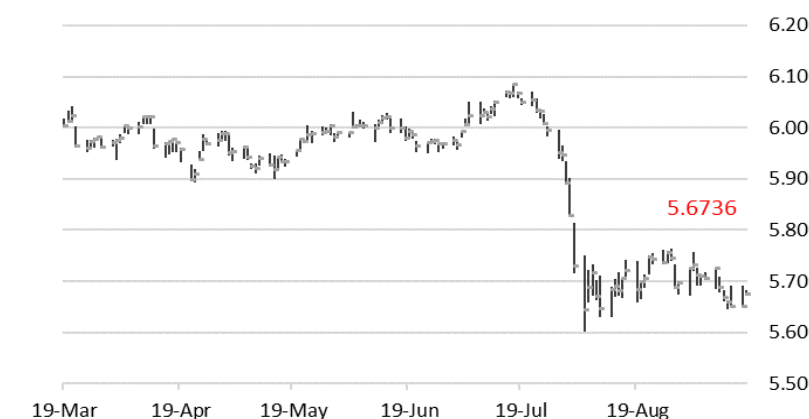


SGD/MYR Neutral

SGD/MYR opened 0.19% higher at 3.3194 but pared some of its gains to trade at 3.3163 at the point of writing. Daily outlook is neutral given the higher opening but offset by weaker than expected August NODX exports numbers out of Singapore this morning, with immediate support and resistance seen at 3.3052 (S1) and 3.3244 (R1) respectively.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.3010	3.3052	3.3163	3.3244	3.3361

GBP/MYR



GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.56% higher at 5.6817 but lost some of its lustre to trade at 5.6736 at the point of writing. Daily outlook is neutral-to-slightly bullish given the higher opening this morning. An empty data calendar in both jurisdictions for the day ahead, with trading seen to be within a range of 5.6560 (S1) and 5.6904 (R1) for the day.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6407	5.6560	5.6736	5.6904	5.7152

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.59% higher at 2.9044 but quickly erased some of these gains to trade at 2.8998 at the point of writing. Daily outlook is neutral-to-slightly bullish given the jump in opening, with the cross expected to face some resistance at 2.9090 (R1) and 2.9215 (R2) above. An empty economic calendar on both fronts today, and trading interest likely to be light ahead of key events later in the week.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.8770	2.8882	2.8998	2.9090	2.9215

Source: Bloomberg, HLBB Global Markets Research

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damansara

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email:

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