17 October 2024

Global Markets Research

Daily Currency Outlook

USD/MYR

Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral

USD/MYR opened 0.14% higher at 4.3030 before paring some gains to trade at 4.2987 at the point of writing. We have a neutral outlook for this pair today amid cautiousness ahead of US retail sales data today as well as the release of Malaysia's advance 3Q GDP print, exports, and Budget 2025 tomorrow. Consensus is expecting US retail sales to pick up to +0.3% m/m in September from +0.1% m/m previously, while Malaysia's economy is expected to grow at a slower pace of 5.1% y/y as compared to 5.9% y/y in 2Q.

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	4.2855	4.2935	4.2987	4.3095	4.3175

USD/SGD

USD/SGD Neutral-to-Slightly Bearish

USD/SGD opened flat at 1.3134, rose to as high as 1.3139 before retreating to 1.3010 at the point of writing. Daily outlook is neutral-to-slightly bearish given SGD strength today, but gains likely capped given its disappointing NODX print this morning, where it eased more than expected to 2.7% y/y from 10.7% y/y previously.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3055	1.3087	1.3100	1.3132	1.3148

MYR Crosses

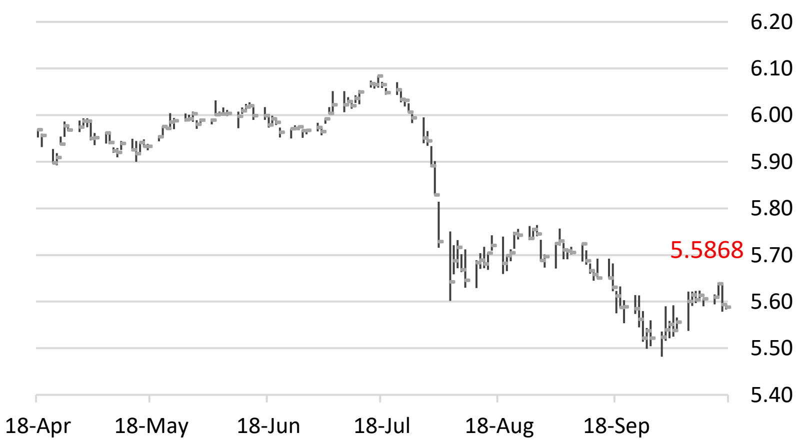
SGD/MYR

SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.32% lower at 3.2716 before rebounding to 3.2795 at the point of writing. Daily outlook is neutral-to-slightly bearish given its lower opening and gains in SGD likely capped post the weak NODX print this morning. This pair, will nonetheless, face support levels at 3.2680 (S1) and 3.2591 (S2) respectively.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.2591	3.2680	3.2795	3.2828	3.2859

GBP/MYR

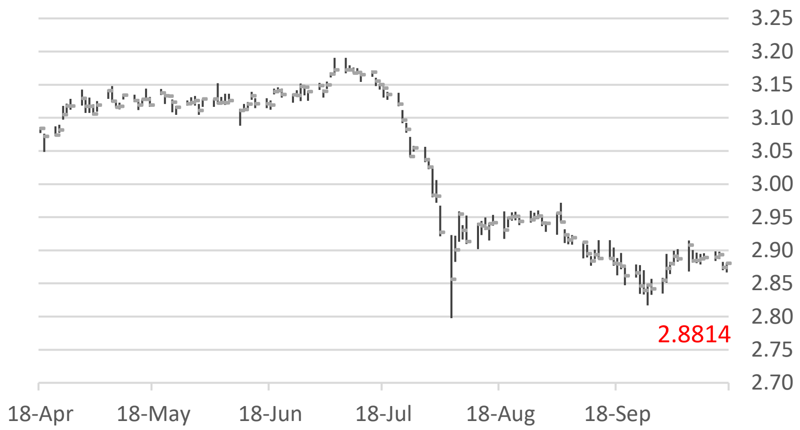


GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.08% lower at 5.5887 and slid to 5.5868 at the point of writing. Daily outlook is neutral-to-slightly bearish in anticipation of GBP weakness after UK's inflation came in lower than expected and saw traders pencilling in a near certainty that BOE will deliver a 25bps rate cut in November policy meeting.

	S2	S1	Indicative	R1	R2
GBP/MYR	4.5662	5.5711	5.5868	5.5927	5.5989

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.23% lower at 2.8671 but quickly pared its looses and more to trade at 2.8814 at the point of writing. Daily outlook is neutral-to-slightly bullish in anticipation of AUD strength. This comes after Australia's full time employment change data unexpectedly jumped and saw traders paring rate cut bets.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.8612	2.8713	2.8814	2.8923	2.9079

Source: Bloomberg, HLBB Global Markets Research

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