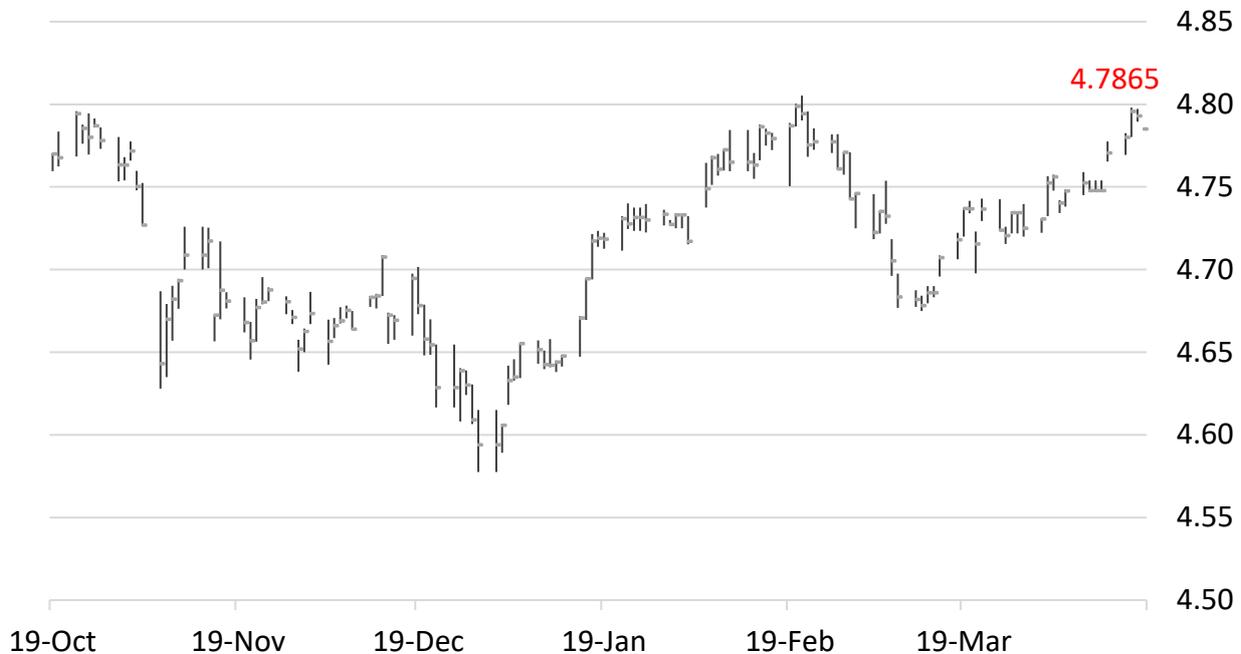


18 April 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bearish

USD/MYR opened 0.17% lower at 4.7850 but erased some of its losses to trade at 4.7865 at the point of writing. Daily outlook is neutral-to-slightly bearish amidst mild greenback weakness due to pullback in Treasury yields overnight. The recent hawkish comments from Fed Chair Jerome Powell, will nonetheless, lend some support for the Dollar, capping downsides at 4.7801 (S1) and 4.7741 (S2) respectively. Meanwhile, initial jobless claims, existing home sales, Leading and Philly Fed Manufacturing indices are due later today.

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

The USD/MYR outlook is neutral-to-slightly bearish in our view as the pair veers near the 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	4.7741	4.7801	4.7865	4.7921	4.7981

USD/SGD



USD/SGD Neutral-to-Slightly Bearish

USD/SGD opened flat at 1.3605 and slid to 1.3602 at the point of writing. Daily outlook is neutral-to-slightly bearish, driven by USD weakness, outweighing the disappointing NODX data recently, which was largely driven by the volatile pharmaceutical exports. On the SGD front, we expect SGD to continue to be supported by inflation risks which could restrict MAS from easing soon.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3569	1.3585	1.3602	1.3608	1.3617

MYR Crosses

SGD/MYR

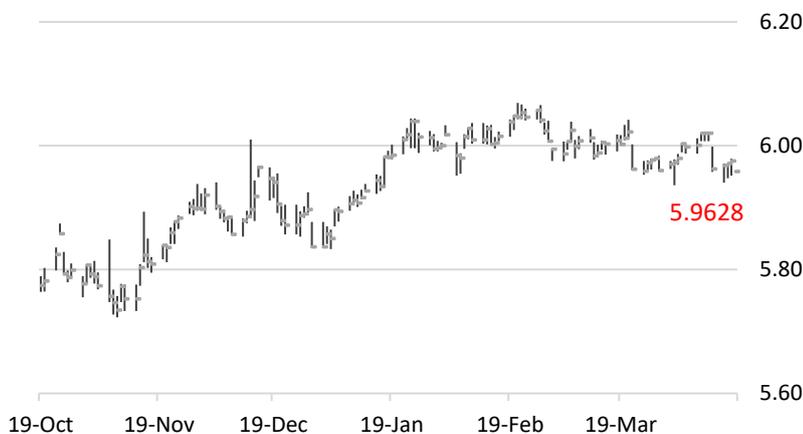


SGD/MYR Neutral

SGD/MYR opened 0.13% higher at 3.5233, traded within 3.5167-3.5233 range before settling at 3.5192 at the point of writing. Daily outlook is neutral, eyeing trading range between 3.5128-3.5261 with the next key risk being Malaysia's advance 1Q GDP due tomorrow. Expectations is that the economy would have accelerated to +3.9% y/y from +3.0% y/y in the preceding quarter.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.5062	3.5128	3.5192	3.5261	3.5326

GBP/MYR



GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.28% lower at 5.9590 but pared some of its losses to 5.9628 at the point of writing. Daily outlook is neutral-to-slightly bearish given the lower opening, but losses potentially capped at 5.9537 (S1) and 5.9468 (S2) given that UK CPI overnight showed a slower than expected disinflation.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9468	5.9537	5.9628	5.9677	5.9746

AUD/MYR

AUD/MYR Neutral

AUD/MYR opened 0.04% higher at 3.0809, spiked to as high as 3.0852 but quickly retreated to 3.0816 at the point of writing after Australia's employment numbers unexpectedly fell and sent unemployment rate ticking up to 3.8%. This trend was also mirrored in AUD/USD, which saw AUD paring its gains to trade at 0.6438 at the point of writing following the employment numbers. With this, we have a neutral outlook for this pair.

Cess	S2	S1	Indicative	R1	R2
AUD/MYR	3.0715	3.0772	3.0816	3.0889	3.0948

Source: Bloomberg, HLBB Global Markets Research

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