

18 October 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bearish

USD/MYR opened 0.10% higher at 4.3135 before quickly paring all its gains and more to trade at 4.3065 at the point of writing. Daily outlook is neutral-to-slightly bearish as the risk-on sentiment from favourable corporate earnings and consumer spending data in the US will likely benefit MYR rather than USD today. MYR could also benefit from optimism that the Government will maintain its fiscal prudence during the unveiling of Budget 2025, but this could also pose event risk for the pair today. On the US front, housing data are on deck today and indicators have largely been mixed recently.

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	4.2882	4.2992	4.3065	4.3212	4.3322

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3143 but retreated to 1.3139 at the point of writing. We have a neutral view for this pair, eyeing trading range between 1.3125-1.3155 in tug of war between USD and SGD weakness.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3110	1.3125	1.3139	1.3155	1.3170

MYR Crosses

SGD/MYR



SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.03% lower at 3.2785 and slid to 3.2779 at the point of writing. Daily outlook is neutral-to-slightly bearish on account of MYR strength and SGD weakness, the latter pulled down by dismal NODX data overnight. This pair will be supported at 3.2696 (S1) and 3.2595 (S2) respectively.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.2595	3.2696	3.2852	3.2899	3.3300

GBP/MYR



GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.31% higher at 5.6158 before paring some of these gains to trade at 5.6039 at the point of writing. Daily outlook is neutral-to-slightly bullish given its higher opening and as GBP/USD trades higher at 1.3017 at the point of writing. Key risk today will be UK's retail sales data, where it is expected to slip into contraction at 0.4% m/m in September.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5777	5.5939	5.6039	5.6263	5.6425

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.31% higher at 2.8909 before paring some of these gains to trade at 2.8855 at the point of writing. Daily outlook is thus neutral-to-slightly bullish, especially since AUD/USD held above the 0.6700 level this morning, supported by the favourable labour data overnight while China's 3Q GDP softened less than expected to 4.6% y/y, from +4.7% y/y in 2Q.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.8724	2.8803	2.8855	2.8961	2.9040

Source: Bloomberg, HLBB Global Markets Research

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