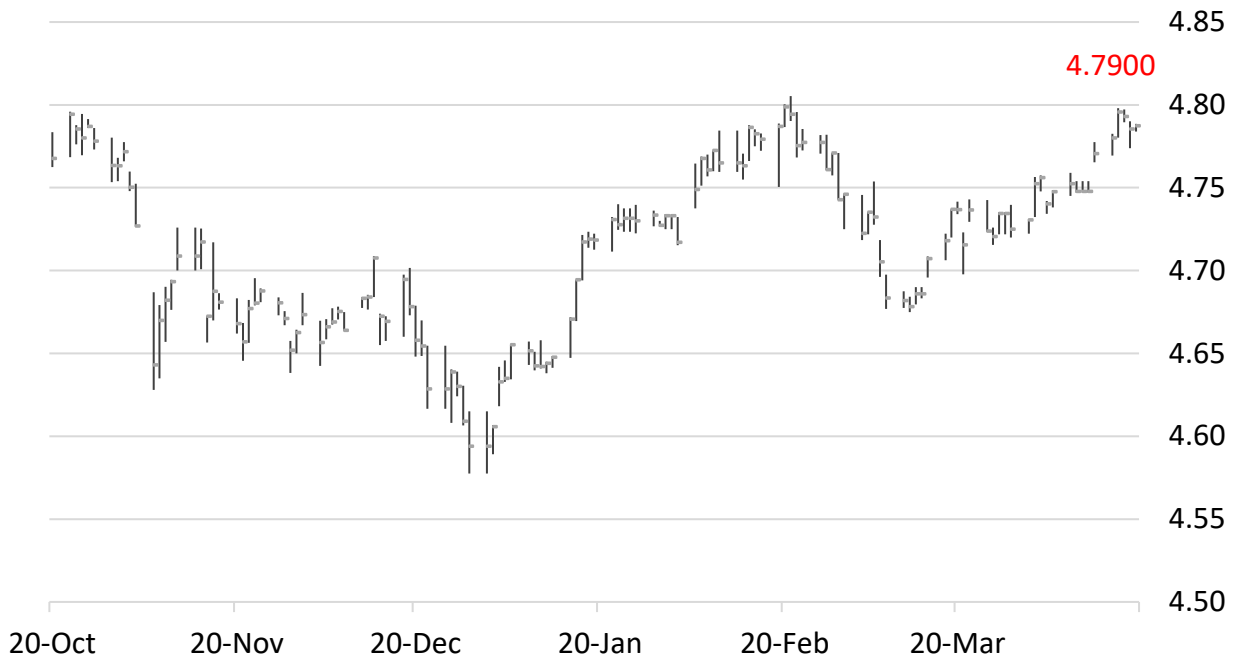


19 April 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

USD/MYR opened 0.01% higher at 4.7860 and trended up to 4.7900 at the point of writing. Daily outlook is neutral-to-slightly bullish in anticipation of USD strength, supported by higher Treasury yields and hawkish comments from both Fed Presidents John Williams and Raphael Bostic overnight. They both said that they are not in a rush to cut rates, with the former adding that the central bank will hike if needed although this was not his base case. Economic data was mixed, but we saw strength in the labour data and Philadelphia manufacturing sector. It will be an empty economic calendar on the US front today and as such, the key risk will be the development in the geopolitical scenario and on the domestic front, the release of advance 1Q GDP.

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	4.7744	4.7812	4.7900	4.7948	4.8016

USD/SGD



USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.3622 but quickly rallied to 1.3648 at the point of writing. Daily outlook is neutral-to-slightly bullish, hit by double whammy of USD strength and a weak SGD, and facing resistance levels of 1.3668 (R1) and 1.3686 (R2) respectively.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3594	1.3621	1.3648	1.3668	1.3686

MYR Crosses

SGD/MYR

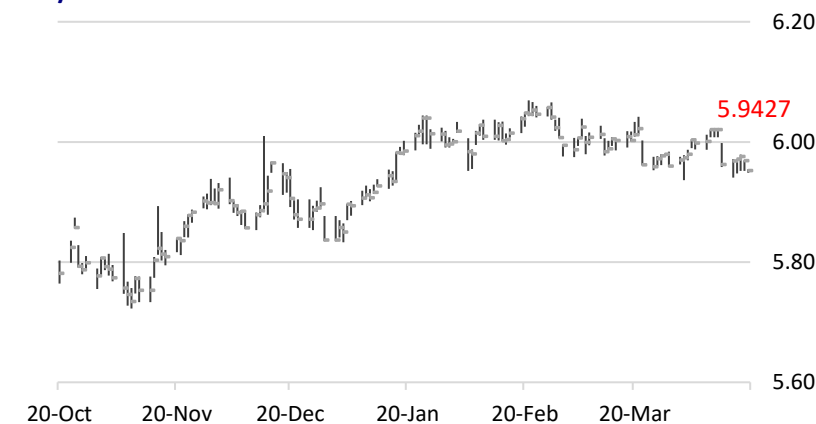


SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.15% lower at 3.5135 and slid to 3.5093 at the point of writing. Daily outlook is neutral-to-slightly bearish on SGD weakness. Key risk for this pair today will be Malaysia's advanced GDP, where expectations is that it will accelerate to +3.9% y/y in 1Q from +3.0% y/y in the preceding quarter.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4945	3.5025	3.5093	3.5184	3.5265

GBP/MYR



GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.34% lower at 5.9486 and slid to 5.9427 at the point of writing. Daily outlook is neutral-to-slightly bearish given the lower opening, but losses seen capped and supported by BOE Megan Greene's comment that a rate cut is not imminent. Key hurdle on the British front today is the retail sales number, and is expected to pick up to +0.3% m/m from zero growth previously.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9315	5.9375	5.9427	5.9572	5.9629

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


AUD/MYR opened 0.35% lower at 3.0726 and slid further to 3.0581 at the point of writing. Daily outlook is neutral-to-slightly bearish on AUD weakness, with the AUD/USD sliding to 0.6386 on risk aversion and a mixed employment data which exerted downward pressure on the AUD.

Cess	S2	S1	Indicative	R1	R2
AUD/MYR	3.0446	3.0562	3.0581	3.0798	3.0916

Source: Bloomberg, HLBB Global Markets Research

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