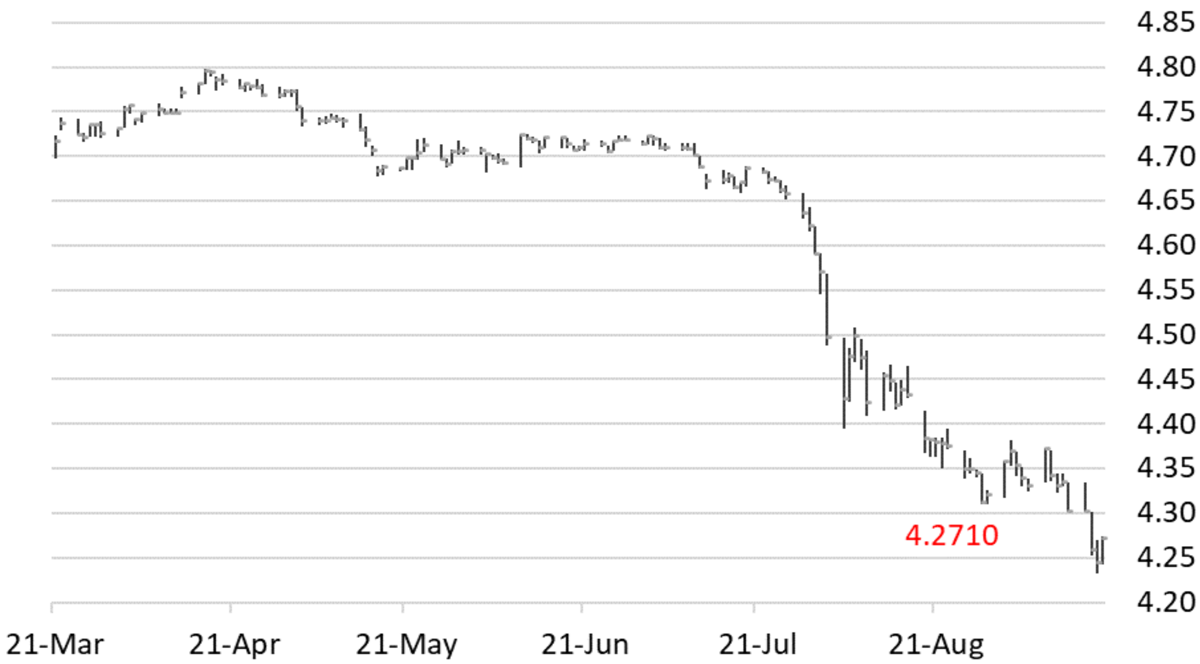
19 September 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

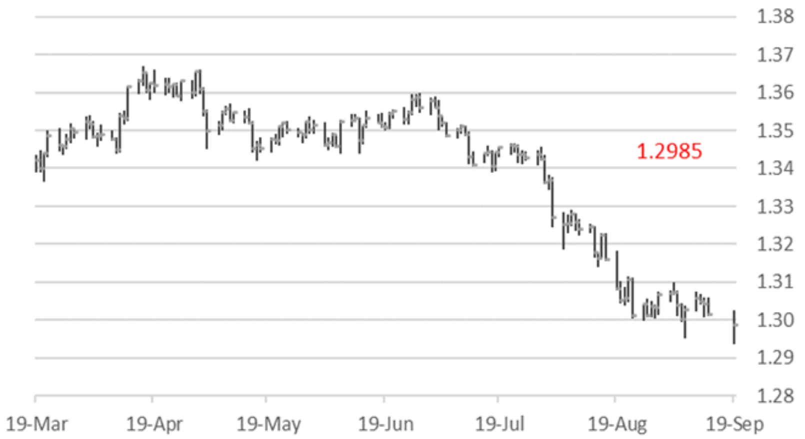
USD/MYR opened 0.01% lower at 4.2432 but advanced higher to 4.2710 at the point of writing. Daily outlook is neutral-to-slightly bullish today, amidst the USD getting a bid after the US FOMC slashed it policy rate by 50bps overnight, but did not sound as dovish in the statement and press conference that followed. Domestically, August export numbers are due later at noon and will be closely watched to see how the economy is doing in 3Q thus far. On the US side of things, the usual weekly jobless claims are due tonight, with existing home sales and the Leading Index for August also scheduled for release. The bullish tone in the USD looks set to continue during today's Asian session, with resistance above seen coming in at 4.2809 (R1) and 4.2936 (R2)

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

The USD/MYR outlook is neutral-to-slightly bullish as the pair consolidates after the recent MYR rally, which has seen it move into oversold conditions. While expectations of broad USD weakness going forward should continue to play out in the medium term, with the currency weighed down by a cooling labour prints, further signs of disinflation and a gradual weakening in economic conditions, the USD could regain some ground in the short term. 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 though is pricing in nearly another three 25bps cuts for the remaining 2 FOMC meetings for the year, and an adjustment to this pricing could lend some support to the USD in the near term. Domestically, the MYR will be supported by expectations for an extended pause in the OPR.

	S2	S1	Indicative	R1	R2
USD/MYR	4.2490	4.2619	4.2710	4.2809	4.2936

USD/SGD



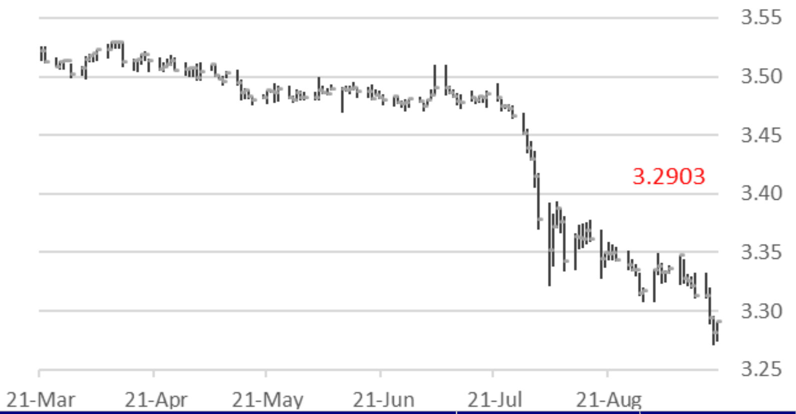
USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened 0.01% lower at 1.2951 but reversed course to head higher to 1.2985 at the point of writing. Daily outlook is neutral-to-slightly bullish from here, with the USD in ascendency post the Fed's 50bps reduction in rates, and an empty calendar on the Singapore front. Trading in the pair for the day should be in the range of 1.2936 (S1) and 1.3010 (R1).

	S2	S1	Indicative	R1	R2
USD/SGD	1.2899	1.2936	1.2985	1.3010	1.3047

MYR Crosses

SGD/MYR

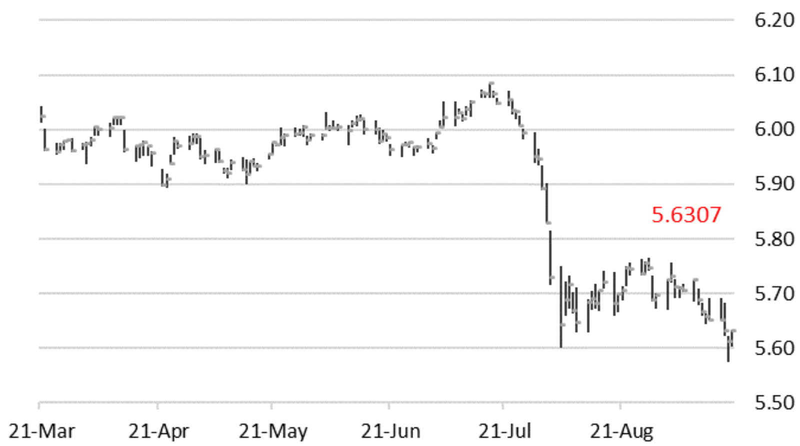


SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.20% lower at 3.2743 but quickly recovered its losses and traded higher to 3.2903 at the point of writing. Daily outlook from here is neutral-to-slightly bullish with the MYR likely to give back more gains in the event of expected USD strength. Resistance above comes in at 3.2959 (R1) and 3.3027 (R2) for the cross today

	S2	S1	Indicative	R1	R2
SGD/MYR	3.2778	3.2846	3.2903	3.2959	3.3027

GBP/MYR

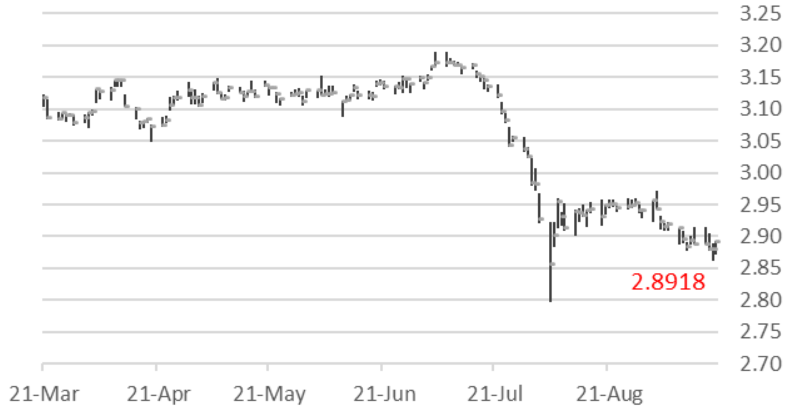


GBP/MYR Neutral

GBP/MYR opened 0.16% lower at 5.6091 but surged higher to 5.6307 at the point of writing. Daily outlook from current levels is neutral with the cross looking less oversold with the move higher. The Bank of England decides on policy today and is expected to keep rates on hold this time round, while MYR exports data could also influence trading in the cross.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6096	5.6212	5.6307	5.6400	5.6515

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.25% lower at 2.8719 but erased all its losses and more to trade at 2.8918 at the point of writing. Daily outlook is neutral-to-slightly bullish, with the Australian jobs report in August coming out slightly stronger than expected, and MYR export numbers to come later in the day. Trading in the cross is expected to be within a 2.8865 (S1) and 2.9024 (R1) range for the day.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.8782	2.8865	2.8918	2.9024	2.9104

Source: Bloomberg, HLBB Global Markets Research

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