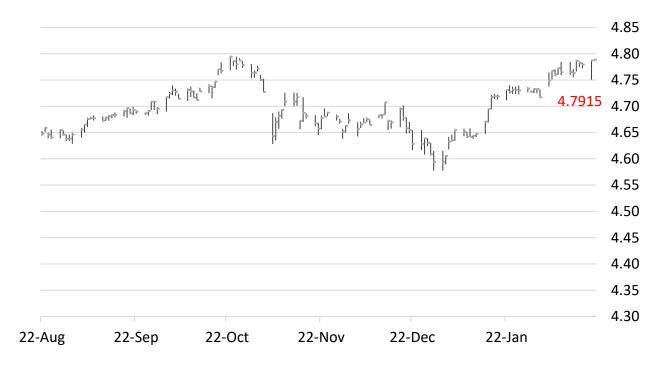


20 February 2024

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 4.7873 and strengthened to 4.7915 at the point of writing. Daily outlook is neutral-to-slightly bullish as the string of sticky inflationary data in the US last week continued to be supportive of USD, pushing the pair towards the psychological level and R1 at 4.8003. Next key risk for this pair will be Malaysia's trade data and US Leading Index today, followed by minutes to the latest FOMC meeting and PMIs tomorrow.

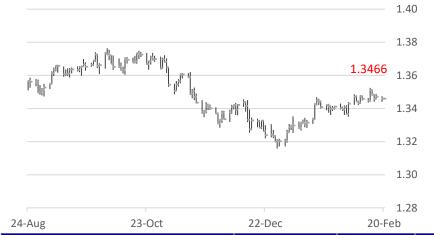
1-Month Outlook - USD/MYR Neutral-to-Slightly Bearish

The USD/MYR outlook is neutral-to-slightly bearish in our view, as markets shifted to when and how much the Fed will ease its policy as price prints continue to moderate. However, we expect downside to be capped given the push-backs on rate cut bets, after the CPI prints and labour data came in stronger than expected, while forward looking indicators point to solid economic activity but this does not change our view that the Fed will only start cutting rates towards mid-2024. 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.

	S2	S1	Indicative	R1	R2
USD/MYR	4.7372	4.7621	4.7915	4.8003	4.8136



USD/SGD



USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.3460, traded within 1.3458-1.3470 range before settling at 1.366 at the point of writing. Daily outlook is neutral-to-slightly bullish, with gains largely capped as investors await the FOMC meeting minutes.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3425	1.3443	1.3466	1.3476	1.3491

MYR Crosses

SGD/MYR

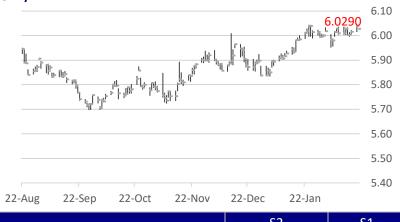


SGD/MYR Neutral

SGD/MYR opened 0.05% lower at 3.5554, traded within 3.5554 and 3.5586 before settling at 3.5581 at the point of writing. We prefer to maintain a neutral outlook for this pair while awaiting Malaysia's trade numbers today, with consensus expecting exports to record a 3.0% y/y growth as compared to a 10.0% y/y decline the previous month mirroring Singapore, and partially attributable to low base effects. We are eyeing trading range between 3.5489-3.5624.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.5408	3.5489	3.5581	3.5624	3.5678

GBP/MYR



GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.20% lower at 6.0262 before paring some of its losses to trade at 6.0290 at the point of writing. Daily outlook is neutral-to-sightly bearish given the lower opening as well as GBP weakness, trading at 1.2584 vs the USD at the point of writing (opening level: 1.2594). Downside is however capped by 6.0212 (S1).

	S2	S1	Indicative	R1	R2
GBP/MYR	6.0040	6.0212	6.0290	6.0490	6.0596



AUD/MYR



AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 0.14% lower at 3.1263 before rebounding to 3.1281 at the point of writing. Daily outlook is neutral-to-slightly bearish. As it is, the AUD/USD spiked to 0.6536 after PBoC's decision to cut the 5Y loan prime rates and RBA's minutes showing that the central bank considered rate hikes, but quicky retreated after that.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1126	3.1216	3.1281	3.1361	31416

Source: Bloomberg, HLBB Global Markets Research



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