

20 September 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Intraday Thoughts - Neutral-to-Slightly Bullish

USD/MYR opened 0.06% higher at 4.2092 but quickly lost its gains and traded down to 4.1925 at the point of writing. Daily outlook is neutral-to-slightly bullish from here today, with the pair now deep in oversold territory and approaching key support area of 4.1850/1900. The USD could also benefit from a safe haven bid before the weekend, given the significant escalation in geopolitical tensions in the Middle East. On the economic data front, an empty data calendar today in both jurisdictions, with the next key release domestically being the August CPI numbers due on Monday. Some resistance above for today is seen coming in at 4.2017 (R1) and 4.2136 (R2) but trading remains choppy and could see some outsized moves.

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	4.1716	4.1838	4.1925	4.2017	4.2136



USD/SGD



USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.2917 and inched lower to 1.2912 at the point of writing. Daily outlook is neutral-to-slightly bullish, with the USD likely to benefit from safe haven flows going into the weekend, and an empty calendar on the both fronts for the day. Trading in the pair should be contained in the range of 1.2863 (S2) and 1.2971 (R2) today.

	S2	S1	Indicative	R1	R2
USD/SGD	1.2863	1.2890	1.2912	1.2944	1.2971

MYR Crosses

SGD/MYR

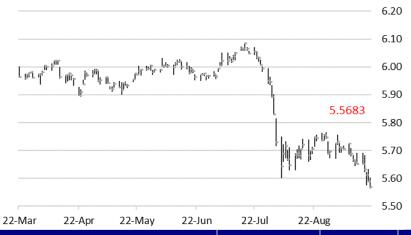


SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.16% lower at 3.2547 and slid further to 3.2471 at the point of writing. Daily outlook from here is neutral-to-slightly bullish with the cross deep in oversold territory, with an empty calendar today and the next key release being the August CPI numbers for both countries due on Monday. Some resistance above comes in at 3.2532 (R1) and 3.2620 (R2) for the cross today.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.2326	3.2414	3.2471	3.2532	3.2620

GBP/MYR



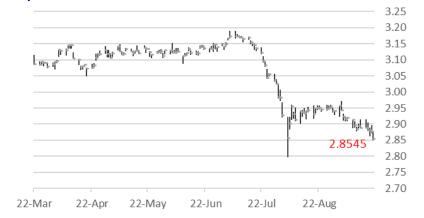
GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.12% higher at 5.5942 but lost its gains and plunged lower to 5.5683 at the point of writing. Daily outlook from the current level is neutral-to-slightly bullish with the cross now back in oversold territory with the move lover. UK retail sales for August are due to be reported in this afternoon and may influence trading in the cross today, with immediate support seen below at 5.5565 (S1).

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5403	5.5565	5.5683	5.5800	5.5964



AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.27% lower at 2.8680 and slid further to trade at 2.8545 at the point of writing. Daily outlook is neutral-to-slightly bullish from current levels, with nothing of note in terms of economic data for both countries. Trading in the cross could be in a wider range of 2.8378 (S2) and 2.8715 (R2) for the day, given the recent volatility.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.8378	2.8483	2.8545	2.8607	2.8715

Source: Bloomberg, HLBB Global Markets Research



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