

21 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 0.15% lower at 4.7913 but quickly pared all its losses and moved higher to 4.8035 at the point of writing. Daily outlook is neutral-to-slightly bullish on the back of bearish sentiment against MYR after MYR skidded to its 26-year low, cautiousness ahead of Malaysia’s CPI print later in the week while the cut in 5-year loan prime rate does not seem to augur well for the MYR. In fact, the weak MYR has prompted BNM governor Datuk Abdul Rasheed Ghaffour to release a statement saying that the Ringgit’s current level does not reflect the positive prospects of the economy and added that the recent performance of the Ringgit is similar to other regional currencies, in that they have been influenced by external factors.

**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	4.7816	4.7902	4.8035	4.8038	4.8088

## USD/SGD



### USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened 0.01% higher at 1.3437 but quickly rebounded to 1.3445 at the point of writing. Daily outlook is neutral-to-slightly bullish on SGD weakness, but gains will be capped after DXY weakness overnight along with the lower UST yields and weakness in the US technology shares. We expect this pair to be firmly supported at 1.3419 (S1) and 1.3401 (S2), as investors will largely stay sideline pending release of the FOMC meeting minutes.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3401	1.3419	1.3445	1.3462	1.3487

## MYR Crosses

### SGD/MYR



### SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.09% higher at 3.5713 and strengthened to 3.5742 at the point of writing. Daily outlook is neutral-to-slightly bullish given the higher opening and upper trajectory subsequent to that. Given that this pair is overbought, this pair will face strong resistance at 3.5769 (R1) and 3.5898 (R2) respectively.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.5511	3.5596	3.5742	3.5769	3.5898

### GBP/MYR



### GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.02% higher at 6.0491 and strengthened to 6.0675 at the point of writing. Daily outlook is neutral-to-slightly bullish on GBP strength despite BOE Governor Andrew Bailey's comments that BOE can cut rates even before inflation hits target.

	S2	S1	Indicative	R1	R2
GBP/MYR	6.0169	6.0235	6.0675	6.0653	6.0895

### AUD/MYR



### AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.16% lower at 3.1400 before paring all its gains to trade at 3.1519 at the point of writing. Daily outlook is neutral-to-slightly bullish on AUD strength, supported by an acceleration in wage growth data this morning. As it is, wage picked up more than expected to +4.2% y/y in 4Q, its strongest growth since 1Q of 2009.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1185	3.1318	3.1519	3.1587	3.1788

Source: Bloomberg, HLBB Global Markets Research

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