

21 March 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts –Slightly Bearish

USD/MYR opened 0.29% lower at 4.7230 and slid to 4.7030 at the point of writing. Daily outlook is slightly bearish on USD weakness, while emerging currencies got a boost after the Fed stuck to its 3-rate cuts expectations. Domestically, the central bank reiterated that the Ringgit remains undervalued during the unveiling of the Economic and Monetary Review 2023 and expects the currency to strengthen going forward as pressure from the external sector abates. Key risk today is the string of S&P PMIs for the majors as well as Leading Index and existing home sales for the US.

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 to June, after the CPI prints and still resilient although less tight labour market, 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	4.6814	4.6972	4.7030	4.7186	4.7288

USD/SGD

USD/SGD Neutral-to-Slightly Bearish

USD/SGD opened flat at 1.3397 and trended down to 1.3371 at the point of writing. Daily outlook is neutral-to-slightly bearish on USD weakness, with support levels seen at 1.3360 (S1) and 1.3337 (S2) respectively.



	S2	S1	Indicative	R1	R2
USD/SGD	1.3337	1.3360	1.3371	1.3391	1.3407

MYR Crosses

SGD/MYR

SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.42% higher at 3.5374 before paring all its gains to trade at 3.5172 at the point of writing. Daily outlook is neutral-to-slightly bearish given SGD weakness. Nonetheless, losses will be capped given that the pair is trading at its oversold territory, and such we expect this pair to be supported at 3.5018 (S1) and 3.4975 (S2) respectively.



	S2	S1	Indicative	R1	R2
SGD/MYR	3.4975	3.5018	3.5172	3.5332	3.5242

GBP/MYR

GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.49% higher at 6.0416 before erasing some of its gains to trade at 6.0195 at the point of writing. Daily outlook is neutral-to-slightly bullish with investors closely watching out for BOE's decision and tone today. Capping gains is the cooler than expected inflation prints overnight but this is not expected to have a material impact on today's decision.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.9890	6.0094	6.0195	6.0501	6.0704

AUD/MYR



AUD/MYR Slightly Bullish

AUD/MYR opened 0.95% higher at 3.1150 but retreated slightly to 3.1126 at the point of writing. Daily outlook is slightly bullish on AUD strength, benefitting not only from the improved composite PMI this morning but also the much stronger than expected employment numbers. Unemployment rate eased sharply to 3.7% in February while employment jumped more than expected to +116.5k (Jan: 4.1% and +15.3k).

Cess	S2	S1	Indicative	R1	R2
AUD/MYR	3.0829	3.0976	3.1126	3.1270	3.1417

Source: Bloomberg, HLBB Global Markets Research

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email:

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