

21 August 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral

USD/MYR opened 0.04% lower at 4.3798 and slid to 4.3807 at the point of writing. Daily outlook is neutral, in a tug of war between MYR strength and its oversold position, and a steady DXY after having fallen to 101.44 overnight. Key risk today is the release of the FOMC meeting minutes and revisions to the annual payrolls benchmark. This will be closely followed by the release of PMIs tomorrow and the kick-off of the annual Jackson Hole Symposium which is set to run through the weekend.

1-Month Outlook – USD/MYR Neutral

The USD/MYR outlook is neutral as the pair continues to trade near its oversold position after the recent MYR rally, which will more than offset expectations of broad USD weakness going forward, the latter weighed down by a much softer labour data prints in July, further signs of disinflation and gradual weakening in economic conditions in 3Q. This has sent markets pencilling in at least 3 rate cuts by end-2024 at the point of writing, narrowing the interest rate differentials between the US and Malaysia. Domestically, MYR will be supported by expectations for an extended pause in the OPR, as recovery in exports, sustained domestic demand and upside risk to inflation amid imminent subsidy cuts and civil service pay hikes should shield BNM from any OPR cut.

	S2	S1	Indicative	R1	R2
USD/MYR	4.3559	4.3705	4.3807	4.3923	4.3995

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3052, traded within a narrow range of 1.3042-1.3059 before settling at 1.3054 at the point of writing. Daily outlook is neutral, eyeing trading range between 1.3035-1.3069 today while noting its oversold position. Next up on the Singapore front is its CPI print, where expectations are that it will accelerate slightly to 2.5% in July from 2.4% previously.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3018	1.3035	1.3054	1.3069	1.3086

MYR Crosses

SGD/MYR



SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.27% higher at 3.3584 and lost its shine slightly to 3.3571 at the point of writing. We have a neutral-to-slightly bullish outlook for this pair given the higher opening, but gains are likely capped given MYR strength. Investors will also be keeping a watchful eye on CPI prints from both side of the border over the rest of the week.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.3373	3.3473	3.3571	3.3632	3.3691

GBP/MYR

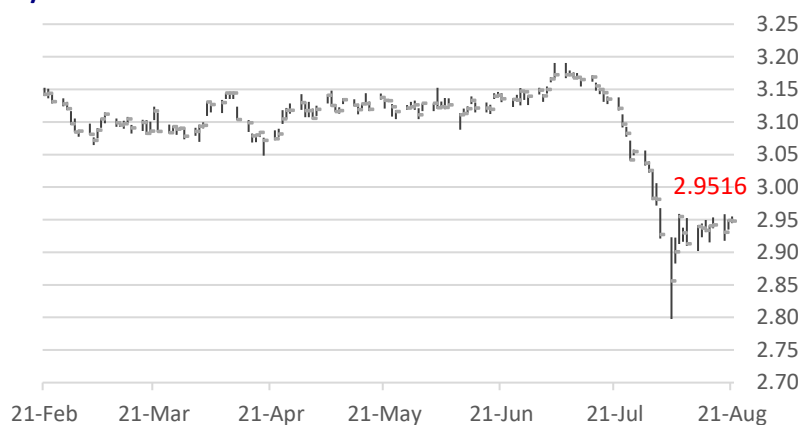


GBP/MYR Neutral

GBP/MYR opened 0.18% higher at 5.7084 but quickly made a U-turn to 5.7011 at the point of writing. Still, this is above the previous close. We have a neutral outlook for this pair today. GBP/USD continued to hold firmly above the 1.3000 level at the point of writing and investors will be watching out for the S&P PMIs tomorrow, where expectations are that it will remain expansionary and steady, further supporting GBP.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6561	5.6762	5.7011	5.7161	5.7362

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.21% higher at 2.9548 before shedding some gains to trade at 2.9516 at the point of writing. Daily outlook is neutral-to-slightly bullish as we expect AUD to hold firm following the release of the RBA meeting minutes, which suggest that the cash rate could remain steady for an extended period.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9287	2.9389	2.9516	2.9593	2.9695

Source: Bloomberg, HLBB Global Markets Research

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