

21 October 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bearish

USD/MYR opened 0.02% lower at 4.3050 and slid to 4.2975 at the point of writing. Daily outlook is neutral-to-slightly bearish as a soft-landing scenario and upbeat corporate earnings in the US, coupled with optimism over the slew of stimulus measures from China saw traders taking a risk-on mood, benefitting regional currencies like MYR rather than the USD this morning. On the MYR front, the unveiling of Budget 2025 is expected to have a neutral impact for the currency and key risk today will be Malaysia's advanced 3Q GDP where market is expecting that it will ease sharply to +5.2% y/y from +5.9% y/y the previous quarter.

1-Month Outlook – USD/MYR Neutral

The USD/MYR outlook is neutral as the pair consolidates after the recent MYR rally, and as the traders continue to trade cautiously in USD on uncertainties over the pace of rate cuts following the higher-than-expected price prints and more resilient than expected labour data released recently. 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 has also pared down its pricing from another three 25bps cuts to about two 25bps cuts for the remaining 2 FOMC meetings for the year. Domestically, the MYR will be supported by expectations for an extended pause in the OPR.

	S2	S1	Indicative	R1	R2
USD/MYR	4.2905	4.2940	4.2975	4.3040	4.3105

USD/SGD



USD/SGD Neutral-to-Slightly Bearish

USD/SGD opened 0.18% higher at 1.3124 before quickly losing its lustre to trade at 1.3095 at the point of writing. Daily outlook is neutral-to-slightly bearish on USD weakness against regionals today, with key risk being Fed's latest Beige Book and housing indicators as well as Singapore's CPI due later in the week. The preliminary S&P Global US PMIs are also scheduled for release and may provide clues on the state of the US economy.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3060	1.3077	1.3095	1.3118	1.3142

MYR Crosses

SGD/MYR

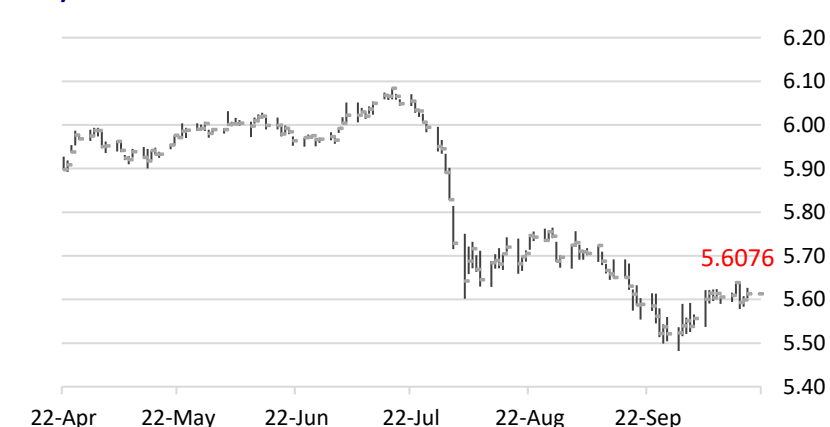


SGD/MYR Neutral

SGD/MYR opened 0.09% higher at 3.2837 before paring some of these gains to trade at 3.2812 at the point of writing. We prefer to stay neutral for this pair today given the upcoming 3Q GDP print for Malaysia, especially since the trade numbers released on Friday disappointed market and could pose downside risks to the economy going forward.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.2789	3.2806	3.2812	3.2856	3.2876

GBP/MYR

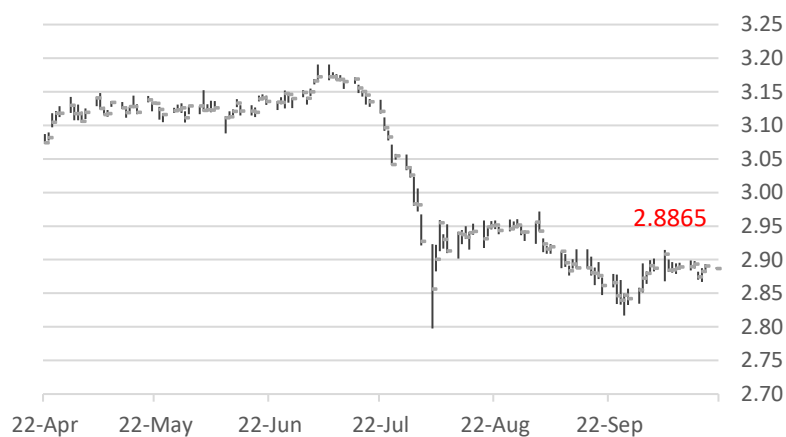


GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.03% higher at 5.6145 before making a U-turn to 5.6076 at the point of writing. Daily outlook is neutral-to-slightly bearish on MYR strength and GBP weakness this morning, with the key risk being Malaysia's advanced 3Q GDP print. On the British front, GBP/USD consolidated towards the mid-1.3000s level at the point of writing, but any losses will likely be capped given the better-than-expected retail sales print released last Friday.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6011	5.6047	5.6076	5.6155	5.6223

AUD/MYR



AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 0.06% lower at 2.8882 and slid to 2.8865 at the point of writing. Daily outlook is neutral-to-slightly bearish on account of the lower trajectory but losses likely capped given that AUD/USD pair extended its recovery to 0.6715 at the point of writing, benefitting from a liquid proxy to China's stimulus measures.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.8812	2.8840	2.8865	2.8896	2.8924

Source: Bloomberg, HLBB Global Markets Research

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