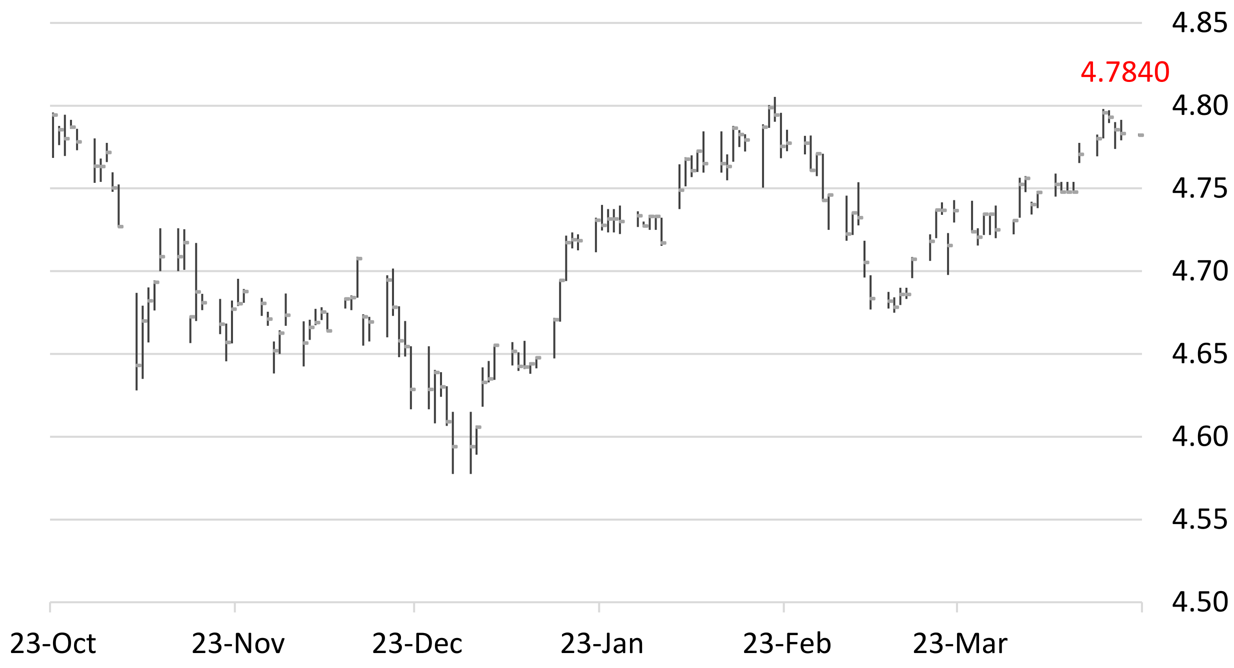
22 April 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral

USD/MYR opened flat at 4.7832, strengthened to as high as 4.7870 before losing its lustre again to trade at 4.7840 at the point of writing. We prefer to stay neutral for this pair given the volatility this morning, on geopolitical risks and ahead of the release of key data on the US front this week, from its 1Q GDP to core-PCE reading for March. The Fed will enter a blackout period given the upcoming FOMC meeting and it will be data light on the economic front today, with only the Chicago Fed National Activity Index due.

1-Month Outlook – USD/MYR Neutral-to-Slightly Bearish

The USD/MYR outlook is neutral-to-slightly bearish in our view as the pair veers near the overbought territory with the recent rise in the Dollar. This comes after the market dialled back expectations of the magnitude and timing of Fed rate reductions to 1-2 cuts this year after a slew of still solid economic data and amidst an uneven disinflation path. 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. The ongoing tension between Israel and Iran could benefit both the USD and MYR, the latter benefitting from the higher oil prices, while the former benefitting from a safe-haven bid in the forex market.

	S2	S1	Indicative	R1	R2
USD/MYR	4.7784	4.7812	4.7840	4.7869	4.7899

USD/SGD

USD/SGD Neutral

USD/SGD opened flat at 1.3616, traded within 1.3592-1.3632 before settling at 1.3608 at the point of writing. Daily outlook is neutral with the upcoming key risk on the Singapore front being the headline and core CPI prints, where expectations is that they will ease to 3.1% and 3.4% respectively in March.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3570	1.3587	1.3608	1.3627	1.3650

MYR Crosses

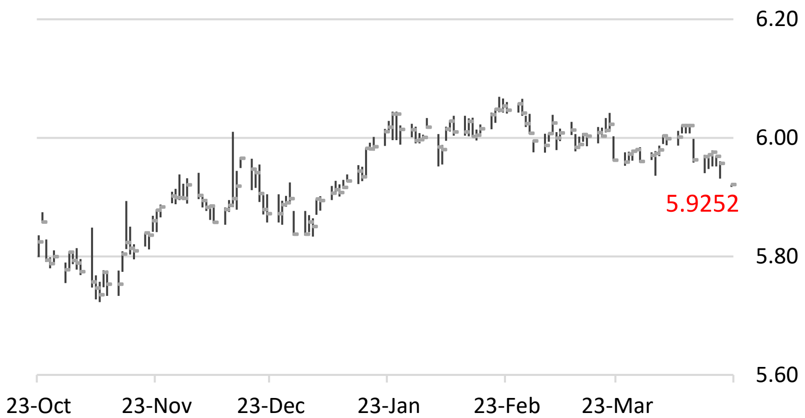
SGD/MYR

SGD/MYR Neutral

SGD/MYR opened 0.01% higher at 3.5136 and strengthened to 3.5153 at the point of writing. Daily outlook is neutral, with SGD benefitting from its safe haven status amongst regionals and MYR from the elevated oil prices. Malaysia will also see the release of its CPI print later in the week, where expectations is that it will accelerate to +2.0% y/y in March from +1.8% y/y previously.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.5108	3.5127	3.5153	3.5156	3.5166

GBP/MYR



GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.61% lower at 5.9200 before paring some of its losses to trade at 5.9252 at the point of writing. Daily outlook is neutral-to-slightly bearish as GBP/USD continued to trade below the 1.2400 level, weighed down by the unexpected stall in UK retail sales data and BOE Dave Ramsden's comment that he is less concerned about UK inflation than in previous month, a sign that he may be willing to support interest rate cuts, which will pressure the GBP.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9054	5.9140	5.9252	5.9312	5.9398

AUD/MYR

AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.07% higher at 3.0735 and strengthened to 3.0851 at the point of writing. Daily outlook is neutral-to-slightly bullish on AUD strength, with AUD/USD strengthening to 0.6451 at the point of writing on stock gains. Australian CPI numbers for March are due this week, as well as we the preliminary Australian PMI numbers for April.

Cess	S2	S1	Indicative	R1	R2
AUD/MYR	3.0578	3.0683	3.0851	3.0893	3.0998

Source: Bloomberg, HLBB Global Markets Research

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