23 October 2024

Global Markets Research

Daily Currency Outlook

USD/MYR

Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Slightly Bullish

USD/MYR opened 0.01% higher at 4.3285 and rallied to 4.3425 at the point of writing. Daily outlook is slightly bullish on the back of USD strength this morning, supported by cautious sentiment in the financial markets, higher UST yields as well as bets of a Trump win which could bring about inflationary policies like higher tariffs. IMF's upward revision to US' economic growth for 2024-25 also bodes well for the Dollar this morning, reaffirming a soft landing scenario and gradual rate cuts ahead. The calendar remains light with key economic indicators, with only housing data and the Fed Beige Book up today.

1-Month Outlook – USD/MYR Neutral

The USD/MYR outlook is neutral as the pair consolidates after the recent MYR rally, and as 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 less than 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	4.3215	4.3337	4.3425	4.3525	4.3779

USD/SGD

USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.3163 before advancing to 1.3175 at the point of writing. Daily outlook is neutral-to-slightly bullish today given USD strength, facing R1 and R2 at 1.3187 and 1.3198 respectively. Potential capping gains is the pair veering towards its overbought position while key risk today will be Singapore's CPI print, where expectations is that core will hold steady at 2.8% y/y in September, while headline eases to 1.9% y/y from 2.2% y/y previously.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3141	1.3158	1.3175	1.3187	1.3198

MYR Crosses

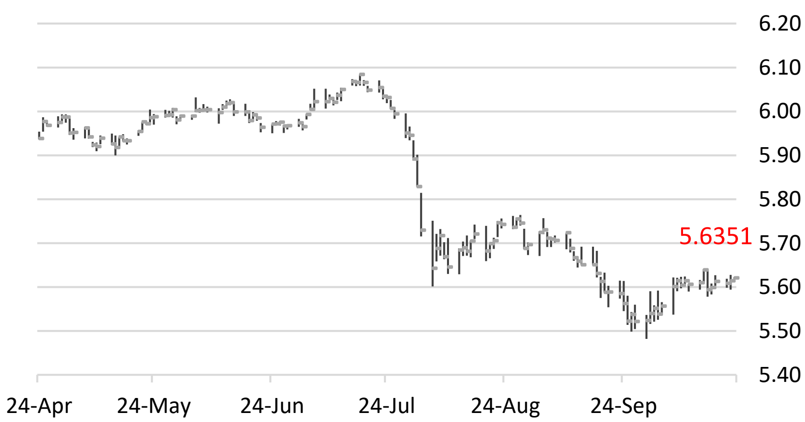
SGD/MYR

SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.04% lower at 3.2885 but quickly rebounded to 3.2962 at the point of writing. Daily outlook is neutral-to-slightly bullish with a risk-off environment more likely to benefit SGD rather than MYR, facing R1 and R2 at 3.3056 and 3.3165 respectively. It will be an empty economic calendar on the domestic front today.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.2838	3.2909	3.2962	3.3056	3.3165

GBP/MYR



GBP/MYR Slightly Bullish

GBP/MYR opened 0.09% higher at 5.6189 and strengthened to 5.6351 at the point of writing. Daily outlook is slightly bullish given the upward trajectory post opening and the key risk being UK PMIs due to be released tomorrow. GBP/USD rebounded to trade around the 1.2970-1.2990 range this morning with BOE's Andrew Bailey speech overnight largely a non-event but Megan Greene warned that policy rates will settle at higher levels.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6096	5.6223	5.6351	5.6437	5.6524

AUD/MYR

AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.04% higher at 2.8923 and rose to 2.9011 at the point of writing. Daily outlook is neutral-to-slightly bullish given the upward trend post opening and key risk being the PMI indicators due tomorrow on the Aussie front. As it is, the AUD/USD continued to circulate around the opening/closing levels this morning around 0.6680 after recovering sharply yesterday.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.8885	2.8949	2.9011	2.9071	2.9164

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: