24 April 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 4.7793 and slid to 4.7765 at the point of writing. Daily outlook is neutral to slightly bearish as emerging currencies strengthened against the Dollar after the release of disappointing US PMIs. The composite PMI unexpectedly lost momentum to 50.9 in April, with slower increases recorded for the services sector while the manufacturing sector slipped into contractionary zone. With this, investors will be closely watching out for durable and capital goods orders data tonight, for more evidence of any slowdown in the economy.

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	4.7637	4.7700	4.7765	4.7795	4.7826

USD/SGD

USD/SGD Neutral-to-Slightly Bearish

USD/SGD opened flat at 1.3614 and quickly lost momentum to 1.3603 at the point of writing. We have a neutral-to-slightly bearish outlook for this pair on USD-driven weakness, eyeing support levels at 1.3601 (S1) and 1.3593 (S2). While the cooler than expected CPI print sparked some weakness in SGD overnight, we expect limited SGD weakness as MAS is expected to maintain its SGD NEER policy stance to contain imported inflation.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3593	1.3601	1.3603	1.3618	1.3626

MYR Crosses

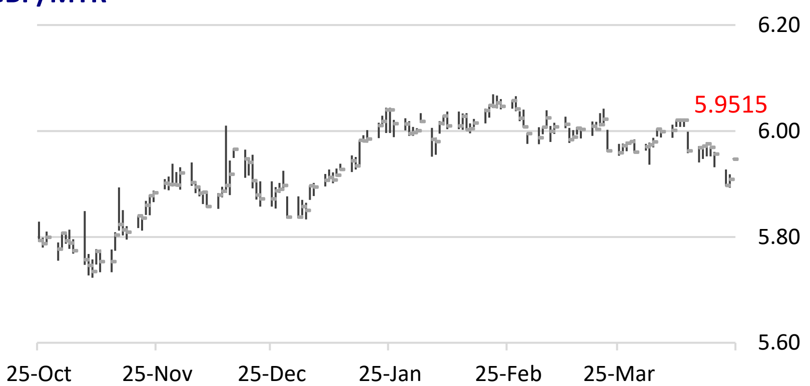
SGD/MYR

SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.13% higher at 3.5124 and inched marginally up to 3.5126 at the point of writing. Daily outlook is neutral-to-slightly bullish on SGD strength relative to MYR, facing resistance levels at 3.5149 (R1) and 3.5192 (R2) respectively. Key risk for this pair for the rest of the week is Singapore's IPI numbers and Malaysia's CPI data.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.5062	3.5088	3.5126	3.5149	3.5192

GBP/MYR



GBP/MYR Slightly Bullish

GBP/MYR opened 0.67% higher at 5.9479 and strengthened to 5.9515 at the point of writing. Daily outlook is slightly bullish as the GBP/USD recovered to 1.2460 at the point of writing, supported by the better-than - expected UK composite PMI and hawkish comments from BOE's chief economist Huw Pill, who commented that the BOE is divided on timing of rate cuts, and that he is erring on the side of caution.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9362	5.9425	5.9515	5.9552	5.9616

AUD/MYR

AUD/MYR Slightly Bullish

AUD/MYR opened 0.55% higher at 3.0982 and strengthened to 3.1121 at the point of writing. Daily outlook is slightly bullish on AUD strength, and with Australia's inflation stronger than expected this morning, this further boosts the case for a higher-than-longer stance and lend support for the AUD. In fact, the AUD/USD pair spiked to 0.6520 at the point of writing.

Cess	S2	S1	Indicative	R1	R2
AUD/MYR	3.0902	3.1012	3.1121	3.1192	3.1261

Source: Bloomberg, HLBB Global Markets Research

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