

25 October 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral

USD/MYR opened 0.05% lower at 4.3460, traded within 4.3440-4.3518 before settling at 4.3510 at the point of writing. Daily outlook is neutral with USD strength this morning likely capped given that the pair is trading near its overbought position and that the pair seems to have stabilized at this level. Overnight, Second Finance Minister Amir Hamzah commented in Washington that Malaysia's faster growth, narrower fiscal debt and steady prices should drive Ringgit forward. He also added that the current policy stance is still accommodative and the economy doesn't need any more stimulus at this juncture, in line with our view of a status quo for the OPR for 2024 and 2025 and lending some support for MYR today. Next key risk will be durable and capital goods orders from the US.

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	4.3419	4.3461	4.3510	4.3527	4.3548

USD/SGD

USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.3181 and trended up 1.3190 at the point of writing. Daily outlook is neutral-to-slightly bullish on account of SGD weakness and USD strength today, the latter benefitting from its improved PMI, new home sales and jobless claims print overnight.



	S2	S1	Indicative	R1	R2
USD/SGD	1.3162	1.3174	1.3190	1.3198	1.3210

MYR Crosses

SGD/MYR

SGD/MYR Neutral

SGD/MYR opened 0.06% higher at 3.2969, strengthened to as high as 3.2998 before losing its momentum to 3.2971 at the point of writing. We prefer to stay neutral in the run-up to Singapore's IPI data at noon today, where expectations are that it will slow sharply to -3.8% m/m and +3.6% y/y in September.



	S2	S1	Indicative	R1	R2
SGD/MYR	3.2890	3.2923	3.2971	3.2989	3.3022

GBP/MYR

GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.01% higher at 5.6374 and strengthened to 5.6413 at the point of writing. Daily outlook is neutral-to-slightly bullish as we expect GBP to benefit from the hawkish speak from BOE's Catherine Mann, who warned that UK may have cut rates too prematurely. This pair will face resistance at 5.6451 (R1) and 5.6494 (R2) respectively.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.6298	5.6355	5.6413	5.6451	5.6494

AUD/MYR



AUD/MYR Slightly Bearish

AUD/MYR opened 0.35% lower at 2.8834 before paring some of these losses to trade at 2.8874 at the point of writing. Daily outlook is slightly bearish as the AUD/USD traded below the 0.6640 level at the point of writing. This morning, Australian Treasurer commented that policy makers have achieved the dual talk of reining inflation without significantly affecting growth, and that he expects a soft landing for the Australian economy.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.8782	2.8827	2.8874	2.8922	2.8990

Source: Bloomberg, HLBB Global Markets Research

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