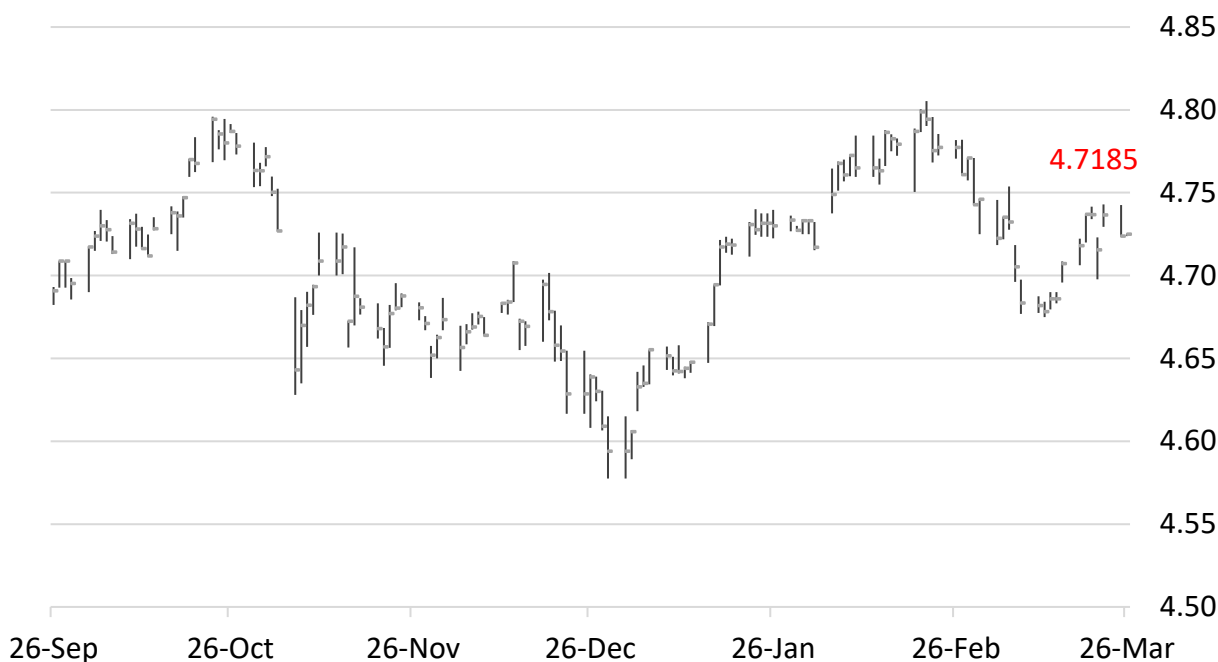


26 March 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts –Neutral-to-Slightly Bearish

USD/MYR opened 0.01% higher at 4.7242 before quickly retreating to 4.7185 at the point of writing. Daily outlook is neutral-to-slightly bearish hit by double whammy of USD weakness and MYR strength, the latter supported by the higher oil prices and the quicker than CPI print. BNM Deputy Governor Datuk Marzunisham Omar also commented that the central bank is drawing positive support from businesses, GLCs and corporate to repatriate earnings and convert their foreign currencies. Further supportive of the MYR. On the USD front, DXY posted small losses against its G10 peers in a holiday shortened trading week and as investors are largely on hold awaiting the key PCE prices on Friday. Tonight, we will be seeing durable and capital goods orders, home prices data as well as a slew of district indices.

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

The USD/MYR outlook is neutral-to-slightly bearish in our view, as markets shifted to when and how much the Fed will ease its policy as price prints continue to moderate. However, we expect downside to be capped given the push-backs on rate cut bets to June, after the CPI prints and still resilient although less tight labour market, while forward looking indicators point to solid economic activity but this does not change our view that the Fed will only start cutting rates towards mid-2024. 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.

	S2	S1	Indicative	R1	R2
USD/MYR	4.7089	4.7123	4.7185	4.7226	4.7294

USD/SGD

USD/SGD Neutral-to-Slightly Bearish

USD/SGD opened flat at 1.3460 before trending down to 1.3446 at the point of writing. Daily outlook is neutral-to-slightly bearish given USD weakness and SGD strength, eyeing S1 and S2 at 1.3426 and 1.3405 respectively.



	S2	S1	Indicative	R1	R2
USD/SGD	1.3405	1.3426	1.3446	1.3454	1.3468

MYR Crosses

SGD/MYR

SGD/MYR Neutral

SGD/MYR opened 0.05% higher at 3.5099 before paring some of its gains to trade at 3.5092 at the point of writing. Daily outlook is neutral in a tug of war between MYR and SGD strength. With this, we are eyeing trading range between 3.5047-3.5125 for this pair.

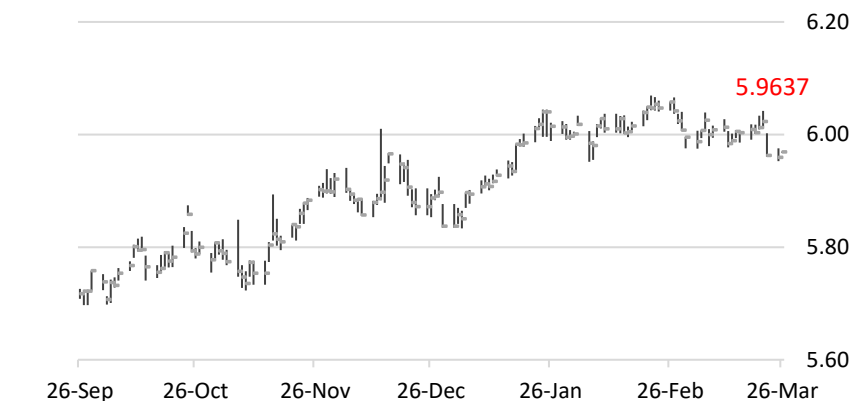


	S2	S1	Indicative	R1	R2
SGD/MYR	3.5012	3.5047	3.5092	3.5125	3.5165

GBP/MYR

GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.16% higher at 5.9685 before paring some of its gains to trade at 5.9637 at the point of writing. Daily outlook is neutral-to-slightly bullish given its higher opening, facing resistance levels at 5.9669 (R1) and 5.8744 (R2) respectively. Overnight, BOE policymaker Catherine Mann said that her rate view was finely balanced before the March vote.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.9534	5.9570	5.9637	5.9669	5.9744

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.16% higher at 3.0884 and strengthened to 3.0888 at the point of writing. Daily outlook is neutral-to-slightly bullish on AUD strength, benefitting from PBoC's extended support for the yuan. Gains will be nonetheless capped at 3.0906 (R1) and 3.0925 (R2) ahead of Australia's CPI data tomorrow. As it is, consensus is expecting inflation to pick up slightly to +3.5% y/y in February from +3.4% y/y previously.

Cess	S2	S1	Indicative	R1	R2
AUD/MYR	3.0850	3.0869	3.0888	3.0906	3.0925

Source: Bloomberg, HLBB Global Markets Research

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