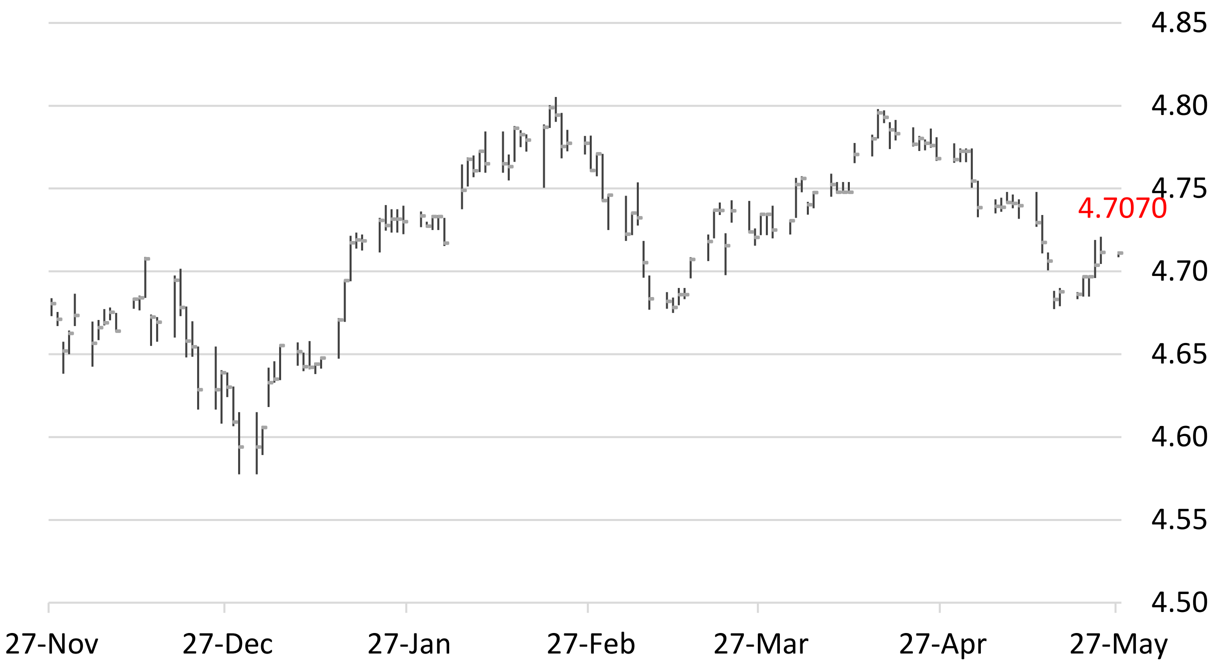
27 May 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

USD/MYR opened flat at 4.7115 before retreating to 4.7070 at the point of writing. Daily outlook is neutral-to-slightly bullish as a rebound in sentiment pushed USD weaker against most of its G10 peers and regional currencies in early morning trade. Nonetheless, gains will be largely subdued today given that the US markets will be closed for the Memorial Day and ahead of key US data ahead. Data on deck this week includes 1st tier data like the core-PCE prices and its accompanying personal income/spending, second reading to the 1Q GDP, the Beige Book and the Conference Board consumer confidence index. Meanwhile, Fed presidents like Loretta Mester and John Williams are set to speak again.

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

The USD/MYR outlook is neutral-to-slightly bearish as the upside for the DXY appeared to have peaked with the recent rise in the Dollar, amidst cooling signs of a labour market, forward looking data that suggests gradual weakening in economic conditions in 2Q and after Fed Chair Jerome Powell and May FOMC meeting hit a less than expected hawkish tone despite an uneven disinflation path. This comes after US price prints continue to come in hotter than expected, while inflation expectations also unexpectedly spiked. Domestically, MYR will be supported by expectations for an extended pause in the 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	4.6974	4.7032	4.7070	4.7108	4.7147

USD/SGD

USD/SGD Neutral

USD/SGD opened flat at 1.3499, strengthened to 1.3506 but quickly retreated back below its flatline at 1.3495 at the point of writing. Daily outlook is neutral, with a bearish tilt given that it has largely traded rangebound below the flatline. We are looking at a trading range between 1.3484-1.3511. with an empty economic calendar on the Singapore front this week.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3471	1.3484	1.3495	1.3511	1.3524

MYR Crosses

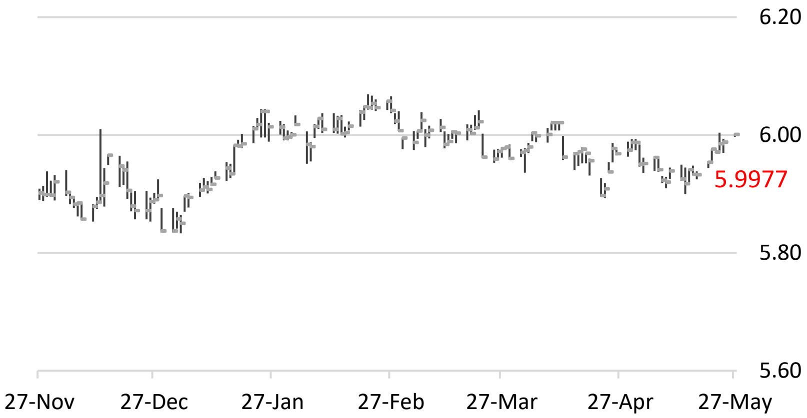
SGD/MYR

SGD/MYR Neutral

SGD/MYR opened 0.02% higher at 3.4897, strengthened to 3.4924 but was unable to hold on to its momentum and retreated to 3.4882 at the point of writing. Daily outlook is neutral with little fresh catalysts to drive the two pairs. We are eyeing trading range of 3.4868-3.4927 for this pair today.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4806	3.4851	3.4882	3.4912	3.4941

GBP/MYR

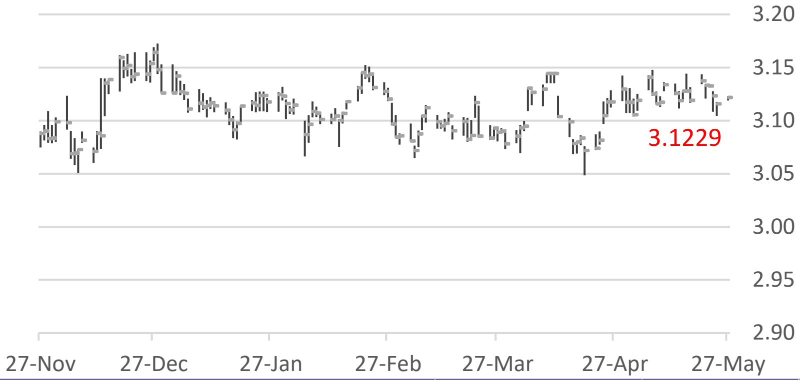


GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.21% higher at 5.9999 before paring its gains slightly to trade at 5.9977 at the point of writing. Daily outlook is neutral-to-slightly bullish given the higher opening, but gains seen capped given that GBP/USD remains in consolidation around the 1.2700 level and as the UK markets are closed for the Spring bank holiday today.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9896	5.9944	5.9977	6.0043	6.0096

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.17% higher at 3.1207 and strengthened to 3.1229 at the point of writing. Daily outlook is neutral-to-slightly bullish as AUD/USD recovered to 0.6634 at the point of writing, a risk on mood and a rebound in China's industrial profits data which will benefit AUD.

Cess	S2	S1	Indicative	R1	R2
AUD/MYR	3.1128	3.1170	3.1229	3.1254	3.1296

Source: Bloomberg, HLBB Global Markets Research

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