

27 August 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

USD/MYR opened 0.08% lower at 4.3453, rebounded to as high as 4.3610 before retreating again to 4.3568 at the point of writing. Daily outlook is neutral-to-slightly bullish given its oversold position but the higher oil prices overnight should keep MYR supported and any gains for this pair in check. Most of the trading week will be a quiet affair on the economic calendar, with focus largely on the upcoming PCE price prints scheduled at the end of the week but tonight, we will be waiting out for the Conference Board's consumer confidence index as well as a slew of home price prints.

1-Month Outlook – USD/MYR Neutral

The USD/MYR outlook is neutral as the pair continues to trade near its oversold position after the recent MYR rally, which will more than offset expectations of broad USD weakness going forward, the latter weighed down by a much softer labour data prints in July, further signs of disinflation, gradual weakening in economic conditions in 3Q and more importantly, signals that a September rate cut appears imminent. This has sent markets pencilling in at least 4 rate cuts by end-2024 at the point of writing, narrowing the interest rate differentials between the US and Malaysia. 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 and civil service pay hikes should shield BNM from any OPR cut.

	S2	S1	Indicative	R1	R2
USD/MYR	4.3233	4.3393	4.3568	4.3657	4.3713

USD/SGD



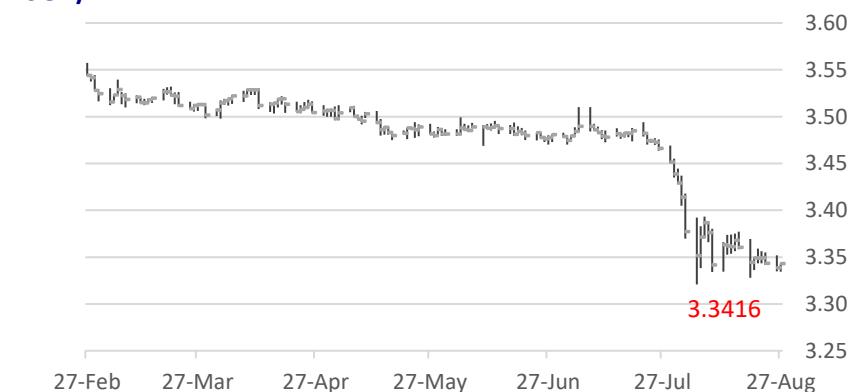
USD/SGD Neutral

USD/SGD opened flat at 1.3041, traded within 1.3034-1.3050 before settling at 1.3035 at the point of writing. Given that this pair is narrowly traded, we have a neutral outlook for this pair today, eyeing trading range between 1.3030-1.3044. US data due today is expected to be mixed, with consumer confidence expected to improve while home prices largely on a decelerating trend.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3023	1.3030	1.3036	1.3044	1.3051

MYR Crosses

SGD/MYR



SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.09% lower at 3.3354 but quickly rebounded to 3.3416 at the point of writing. Daily outlook is neutral-to-slightly bullish on account of SGD strength against regionals driven by a risk-off environment. This pair will nonetheless face R1 and R2 at 3.3488 and 3.3574 today.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.3230	3.3316	3.3416	3.3488	3.3574

GBP/MYR

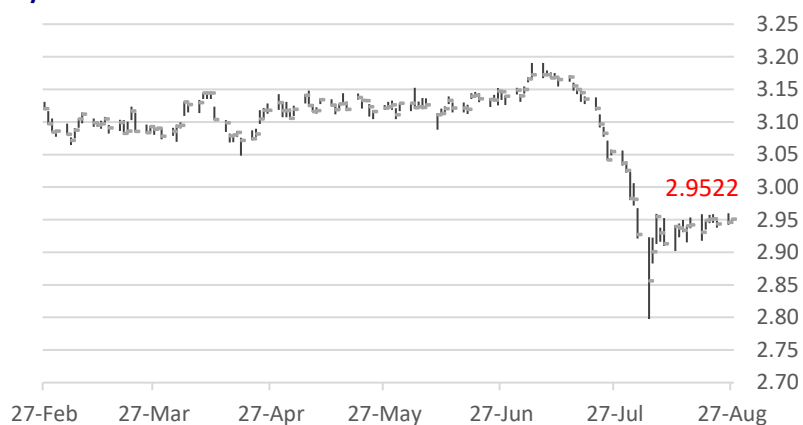


GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.02% higher at 5.7366 before strengthening to 5.7467 at the point of writing. Daily outlook is neutral-to-slightly bullish on GBP strength against regionals and as GBP/USD held steady around the 1.3200 level at the point of writing.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.7140	5.7294	5.7467	5.7602	5.7756

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.01% lower at 2.9454 before rebounding to 2.9522 at the point of writing. Daily outlook is neutral-to-slightly bullish given AUD strength against regionals and after China's industrial profits picked up momentum to 4.1% y/y in July from 3.6% y/y previously.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9347	2.9416	2.9522	2.9555	2.9624

Source: Bloomberg, HLBB Global Markets Research

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