28 August 2024

Global Markets Research

Daily Currency Outlook

USD/MYR

Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral

USD/MYR opened 0.13% lower at 4.3425 before narrowing its losses to trade at 4.3475 at the point of writing. Daily outlook is neutral in a tug of war between continued broad-market weakness in the greenback and bidding pressure against its oversold position. Markets will also stay cautious ahead of Nvidia's earnings tonight but more importantly, the upcoming PCE prices end-week, where traders will be looking for confirmation of easing price pressure while an above-forecast print could send fresh jitters.

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, strongest ever signals for a September rate cut. This kept market 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	4.3362	4.3418	4.3475	4.3508	4.3542

USD/SGD

USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.3011, traded within a narrow range of 1.3009-1.3031 before settling 1.3026 at the point of writing. Daily outlook is neutral to slightly bullish given its oversold position, SGD weakness as well as USD benefitting slightly from the uptick in consumer confidence overnight.

	S2	S1	Indicative	R1	R2
USD/SGD	1.2979	1.3001	1.3026	1.3045	1.3067

MYR Crosses

SGD/MYR

SGD/MYR Neutral

SGD/MYR opened 0.18% higher at 3.3409 but lost some of its lustre to trade at 3.3368 at the point of writing. Daily outlook is neutral with the gains from the higher opening expected to narrow as the risk-off mood amid escalating geopolitical tensions weighs on the MYR more than the SGD.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.3243	3.3308	3.3368	3.3438	3.3503

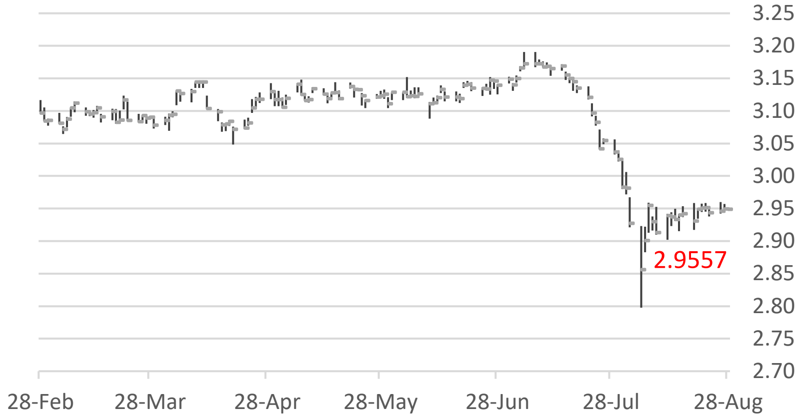
GBP/MYR

GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.02% higher at 5.7562 and strengthened to 5.7608 at the point of writing. Daily outlook is neutral-to-slightly bullish after GBP/USD tested into a fresh multi-year high on Tuesday. GBP/USD nonetheless has eased to 1.3250 at the point of writing, capping gains for GBP/MYR today.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.7425	5.7505	5.7608	5.7665	5.7745

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.05% lower at 2.9475 before erasing all its losses and more to trade at 2.9557 at the point of writing. Daily outlook is neutral-to-slightly bullish as the AUD/USD pair trades with mild gains around 0.6800 level after its July inflation beat.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9412	2.9484	2.9557	2.9613	2.9675

Source: Bloomberg, HLBB Global Markets Research

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