

28 October 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Slightly Bullish

USD/MYR opened 0.05% higher at 4.3450 and strengthened to 4.3615 at the point of writing. Daily outlook is thus slightly bullish on the back USD strength this morning, which saw the DXY extending its gains to 104.50 at the point of writing. Largely keeping USD supported recently were expectations of a soft landing for the US economy and prospects of a Donald Trump win in the election, which would likely bring about inflationary policies and more gradual rate cuts ahead. A busy week lies ahead, with focus on advanced 3Q GDP, non-farm payroll and core-PCE prices from the US, which may keep investors on the tenterhooks.

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	4.3259	4.3402	4.3615	4.3639	4.3688

USD/SGD

USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened 0.08% lower at 1.3202 but quickly pared its losses and more to trade at 1.3246 at the point of writing. Daily outlook is neutral-to-slightly bullish on USD strength today, facing R1 and R2 at 1.3251 and 1.3270 respectively. A quiet week ahead for Singapore this week, with only the unemployment rate scheduled for release amid a shortened trading week.



	S2	S1	Indicative	R1	R2
USD/SGD	1.3184	1.3212	1.3246	1.3251	1.3270

MYR Crosses

SGD/MYR

SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.14% lower at 3.2842 but quickly made a U-turn to 3.2927 at the point of writing. Daily outlook is neutral-to-slightly bullish, with key risk being the 2nd tier data on Malaysia Manufacturing PMI on deck. This pair will face resistance at 3.2979 (R1) and 3.3062 (R2) today.

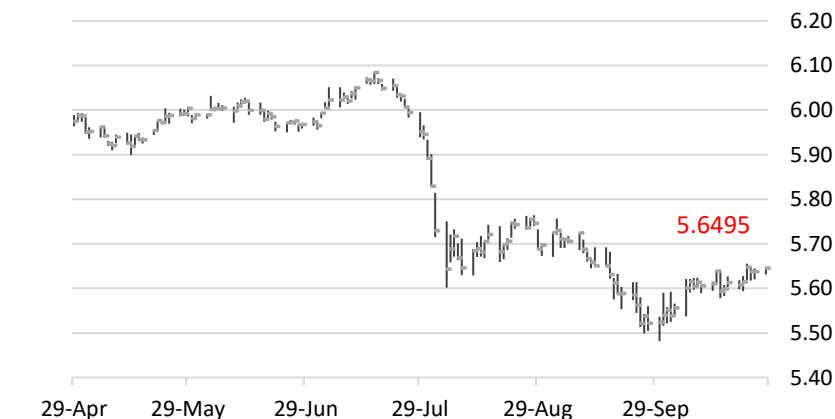


	S2	S1	Indicative	R1	R2
SGD/MYR	3.2812	3.2866	3.2927	3.2979	3.3062

GBP/MYR

GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.09% lower at 5.6321 but rebounded to 5.6495 at the point of writing. Daily outlook is neutral-to-slightly bullish given this rebound, but gains will likely be capped given jittery ahead of Autumn Budget as well as the GBP/USD retreats below the psychological level of 1.3000 at the point of writing. This pair, is thus, expected to face resistance at 5.6599 (R1) and 5.6759 (R2) today.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.6075	5.6246	5.6495	5.6599	5.6759

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.32% lower at 2.8700 but pared some of these losses to trade at 2.8780 at the point of writing. This is just a shade below previous close and thus, we have neutral outlook for this pair today. The AUD/USD pair also remains on the defensive around the 0.6600 level at the point of writing but investors will be watching out Australia's CPI and retail sales closely this week before RBA's decision next week.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.8556	2.8649	2.8780	2.8835	2.8928

Source: Bloomberg, HLBB Global Markets Research

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