29 March 2024

Global Markets Research

Daily Currency Outlook

USD/MYR

Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts –Neutral

USD/MYR opened 0.06% higher at 4.7375 before paring all its gains to trade at 4.7332 at the point of writing. We prefer to stay neutral for this pair despite MYR strength, as we expect investors to stay cautious ahead of the US PCE prices today and USD will benefit from fading rate cuts narrative after a slew of positive data overnight, which includes a 0.2ppts upgrade to 4Q GDP, stable labour data and strong consumer confidence.

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	4.7238	4.7298	4.7332	4.7417	4.7477

USD/SGD

USD/SGD Neutral

USD/SGD opened flat at 1.3503 and largely held steady at 1.3502 at the point of writing. Daily outlook is neutral given both Singapore and the US is off for Good Friday, eyeing trading range between 1.3481-1.3512.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3466	1.3481	1.3502	1.3512	1.3527

MYR Crosses

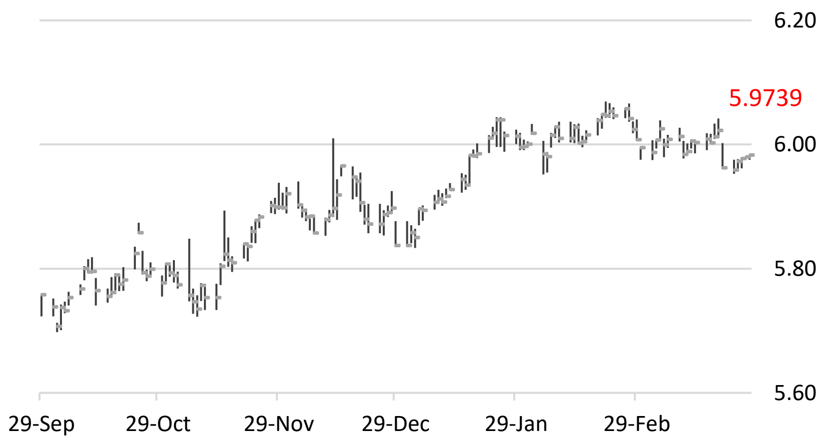
SGD/MYR

SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.15% lower at 3.5075 and slid to 3.5061 at the point of writing. Daily outlook is neutral-to-slightly bearish given lower opening and downward trajectory subsequent to that, eyeing support levels at 3.5036 (S1) and 3.4989 (S2) respectively.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4989	3.5036	3.5061	3.5131	3.5179

GBP/MYR



GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.03% lower at 5.9753 and slid to 5.9739 at the point of writing. Daily outlook is neutral-to-slightly bearish given the downward trajectory post opening, but expect trading to largely drift sideways given the long Good Friday weekend. Overnight, sterling also failed to find support from BOE Jonathan Haskel's comments that rate cuts should be a "long way off."

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9613	5.9699	5.9739	5.9871	5.9957

AUD/MYR

AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 0.13% lower at 3.0848 and was little changed at 3.0846 at the point of writing. Daily outlook is neutral-to-slightly bearish on AUD weakness, in line with CNH weakness and weighed down by the slew of softer Australian economic data overnight, notably slower retail sales and CPI prints. Next key hurdle for this pair is the minutes to the latest monetary policy meeting scheduled next week.

Cess	S2	S1	Indicative	R1	R2
AUD/MYR	3.0658	3.0757	3.0846	3.0952	3.1049

Source: Bloomberg, HLBB Global Markets Research

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