

29 April 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

USD/MYR opened 0.02% higher at 4.7688 and strengthened to 4.7745 at the point of writing. Daily outlook is neutral-to-slightly bullish, as USD strengthened against most regional currencies, after March’s PCE reading showed stickier than expected inflationary pressures, raising expectations that FOMC may strike a more hawkish tone this week and reaffirmed expectations that persistent prices pressures are likely to delay any interest rate cuts this year, if any at all, all supportive of the greenback.

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

The USD/MYR outlook is neutral-to-slightly bearish in our view as the pair hovers near the overbought territory with the recent rise in the Dollar. This comes after the market dialled back expectations of the magnitude and timing of Fed rate reductions to 1-2 cuts this year after a slew of still solid economic data and amidst an uneven disinflation path. 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. 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	4.7654	4.7696	4.7745	4.7800	4.7873

USD/SGD



USD/SGD Neutral

USD/SGD opened 0.07% lower at 1.3618. traded within 1.3613-1.3632 before settling at 1.3625 at the point of writing. Despite the upper trajectory and SGD weakness against the G10, this is still a shade lower than its previously close. We have a neutral outlook for this pair, eyeing trading range between 1.3605-1.3643.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3586	1.3605	1.3625	1.3643	1.3662

MYR Crosses

SGD/MYR

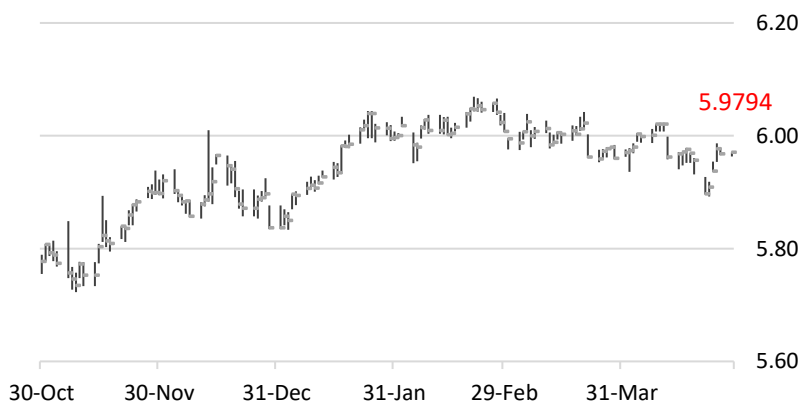


SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.07% lower at 3.5021 before paring all its losses to trade at 3.5047 at the point of writing. Daily outlook is neutral-to-slightly bullish as SGD have outperformed its regional peers this morning, facing R1 and R2 at 3.5098 and 3.5156 respectively. Key risks for this pair this week are the IPI, PMI and unemployment rate data on the Singapore's front and S&P Manufacturing PMI on the domestic front.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4981	3.5015	3.5047	3.5098	3.5156

GBP/MYR



GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.05% lower at 5.9650 but quickly rebounded above its previous close at 5.9794 at the point of writing. Daily outlook is neutral-to-slightly bullish as GBP/USD held strong and positive above the 1.2500 level. Not much going on in terms of economic data, with mortgage approvals for March and the monthly house price report from Nationwide Building Society due for release.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9565	5.9671	5.9794	5.9930	6.0113

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.07% higher at 3.1195 and strengthened to 3.1339 at the point of writing. Daily outlook is neutral-to-slightly bullish on AUD strength, as the AUD/USD pair trades in positive territory for six consecutive days around 0.6565 at the point of writing, bolstered by the hot price prints last week. March retail sales headline the scheduled economic data releases in the coming week, with trade balance, building approvals and private sector credit growth also due for release.

Cess	S2	S1	Indicative	R1	R2
AUD/MYR	3.1117	3.1211	3.1339	3.1433	3.1591

Source: Bloomberg, HLBB Global Markets Research

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