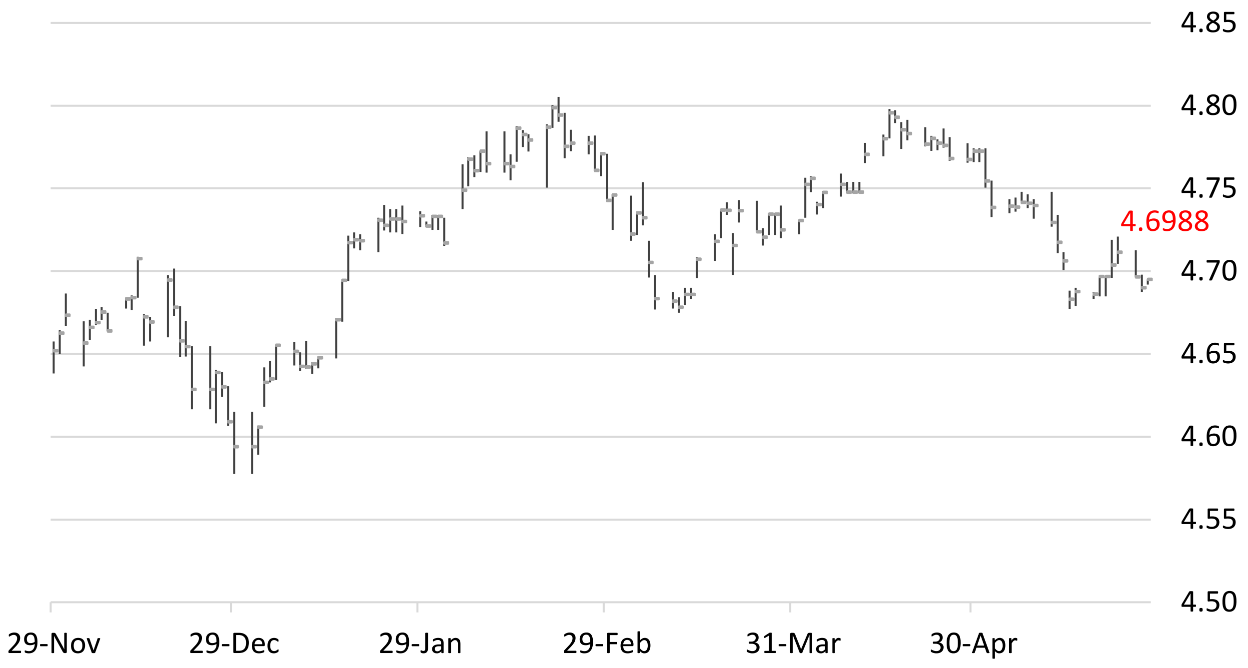
29 May 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

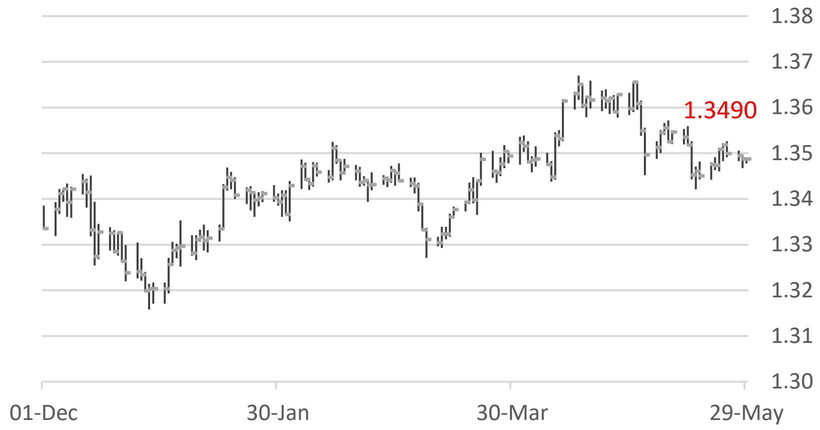
USD/MYR opened 0.04% higher at 4.6920 and strengthened to 4.6988 at the point of writing. Daily outlook is neutral-to-slightly bullish in anticipation of mild USD strength, tracking the higher Treasury yields overnight. Just a recap, Dollar rebounded on the back of a stronger than expected consumer confidence data as well as a relatively hawkish Fed speak. Neel Kashkari said that he wants to see 'many more months' of progress in disinflation before a rate cut, adding that he would not rule out further rate hikes if price pressures tick up again. Today, we will be watching out for the Beige Book, as well as more Fed speeches from John Williams to Lisa Cook and Mary Daly.

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

The USD/MYR outlook is neutral-to-slightly bearish as the upside for the DXY appeared to have peaked with the recent rise in the Dollar, amidst cooling signs of a labour market, forward looking data that suggests gradual weakening in economic conditions in 2Q and after Fed Chair Jerome Powell and May FOMC meeting hit a less than expected hawkish tone despite an uneven disinflation path. This comes after US price prints continue to come in hotter than expected, while inflation expectations also unexpectedly spiked. 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 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	4.6885	4.6925	4.6988	4.7035	4.6710

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3487, strengthened as high as 1.3497 before retracing to 1.3490 at the point of writing. Movements for the pair has largely remain muted given cautiousness ahead of the final US 1Q GDP and core-PCE prices later int the week, and as such, we have a neutral outlook eyeing trading range between 1.3468-1.3507.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3450	1.3468	1.3490	1.3507	1.3526

MYR Crosses

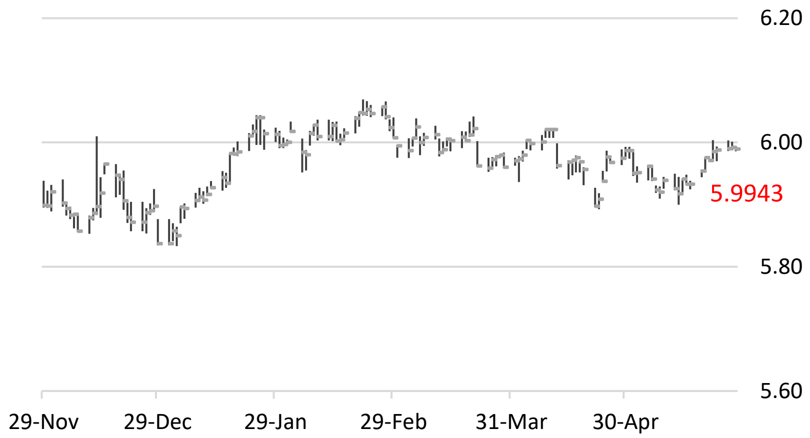
SGD/MYR

SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.08% lower at 3.4771 and quickly erased its losses to trade at 3.4834 at the point of writing. Daily outlook is neutral-to-slightly bullish on SGD strength vis-à-vis MYR this morning, facing R1 and R2 at 3.4855 and 3.4908 respectively.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4794	3.4748	3.4834	3.4855	3.4908

GBP/MYR

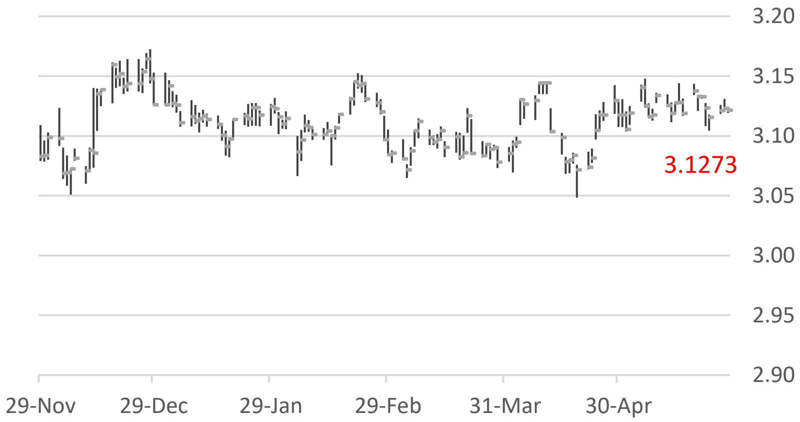


GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.09% lower at 5.9867 but bounced up to trade at 5.9943 at the point of writing. Daily outlook is Neutral-to-Slightly Bullish due to the upper trajectory post opening, but we expect gains to be capped after GBP/USD traded with mild losses below the 1.2760 level as of the point of writing and weakened against most of its G10 peers.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9738	5.9820	5.9943	5.9984	6.0066

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.12% lower at 3.1193 before paring all its gains and more to trade at 3.1273 at the point of writing. Daily outlook is neutral-to-slightly bullish as AUD/USD climbed to 0.6653 at the point of writing and strengthened against most of its G10 and regional peers after its inflation print unexpectedly quickened for the month of April (+3.6% y/y vs +3.5% y/y) spurring best of an extended rate pause.

Cess	S2	S1	Indicative	R1	R2
AUD/MYR	3.1004	3.1124	3.1273	3.1368	3.1488

Source: Bloomberg, HLBB Global Markets Research

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