

29 July 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bearish

USD/MYR opened 0.01% lower at 4.6572 and slid to 4.6338 at the point of writing. Daily outlook is neutral-to-slightly bearish on MYR strength this morning and some selling pressures on greenback, the latter after the PCE-data largely came largely within expectations and remains mild, supporting bets that the Fed will start cutting rates in the September FOMC meeting. Key risk this week will be the FOMC meeting, where expectations are that the central bank will keep rates on hold but investors will be watching for any large shifts in rhetoric on future policy paths. A number of job prints including first tier NFP are also on deck for the week.

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, amidst cooling-but-still resilient signs of a labour market, forward looking data that suggests gradual weakening in economic conditions in 2Q. Nonetheless, Fed officials have repeatedly stressed the need for more good data on the inflation front, and as such, this should keep rate cut expectations and marked weakening in the Dollar, in check. 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.

	S2	S1	Indicative	R1	R2
USD/MYR	4.6162	4.6319	4.6388	4.6634	4.6792

USD/SGD



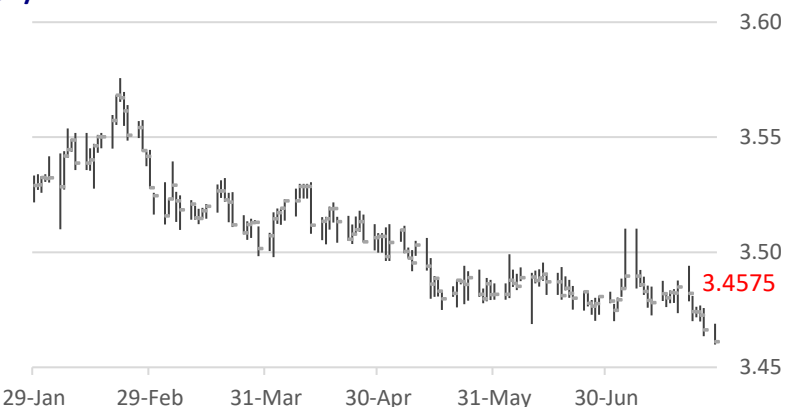
USD/SGD Neutral-to-Slightly Bearish

USD/SGD opened 0.07% higher at 1.3436 but quickly pared its gains and more to trade at 1.3417 at the point of writing. We have a neutral-to-slightly bearish outlook for this pair given the downward trajectory post opening, and expect investors to cautious ahead of the slew of central banks meet this week.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3383	1.3404	1.3417	1.3446	1.3467

MYR Crosses

SGD/MYR

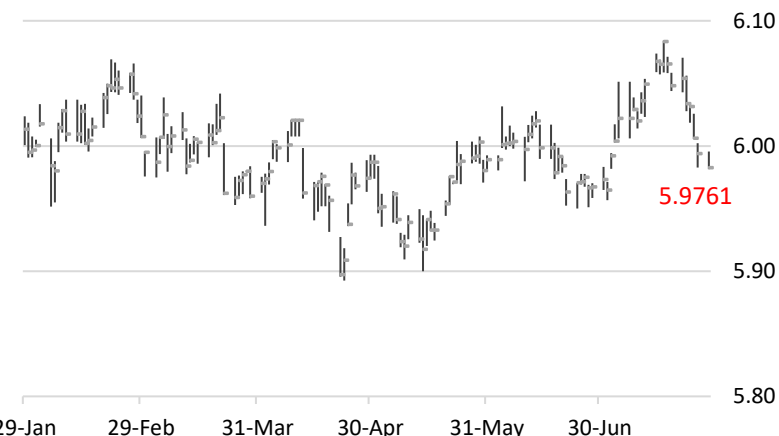


SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.04% higher at 3.4676 but lost its lustre and retreated to 3.4575 at the point of writing. Daily outlook is neutral-to-slightly bearish given MYR strength today. It will be a rather quiet week ahead in terms of economic calendar for both Singapore and Malaysia, and as such, any sway for this pair will largely be driven by shifts in risk sentiment from major central bank meetings.

	S2	S1	Indicative	R1	R2
SGD/MYR	3,4434	3.4530	3.4575	3.4723	3.4819

GBP/MYR



GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.03% lower at 5.9922 and slid to 5.9761 at the point of writing, Daily outlook is neutral-to-slightly bearish on account of MYR strength, but losses likely capped given GBP strength against most regional and USD this morning. The BOE is set to meet later this week, where market expectations remain split as to whether the central bank will maintain or begin cutting its rates in this meeting.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9525	5.9687	5.9761	6.0011	6.0173

AUD/MYR



AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 0.09% lower at 3.0517 and weakened further to 3.0449 at the point of writing. Daily outlook is neutral-to-slightly bearish again because of MYR strength, with focus pinned on the upcoming CPI print of the Aussie front, as well as retail sales data.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0317	3.0409	3.0449	3.0597	3.0691

Source: Bloomberg, HLBB Global Markets Research

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