30 January 2024

Global Markets Research

Daily Currency Outlook

USD/MYR

Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts –Neutral-to-Slightly Bearish

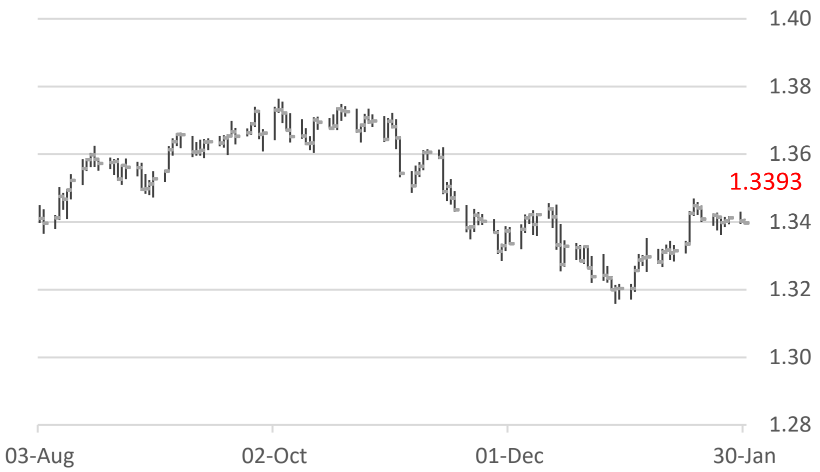
USD/MYR opened 0.07% lower at 4.7300 and slid to 4.7290 at the point of writing. Daily outlook is neutral-to-slightly bearish, due to both USD weakness and MYR strength. As it is, USD appeared to be slightly overbought and is weighed down by lower UST yields this morning, sending DXY slightly down to 103.41 at the point of writing. Losses will nonetheless, be capped at 4.7228 (S1) and 4.7134 (S2) respectively, as investors will largely stay sideline ahead of a busy week of corporate earnings results and central bank meetings. Apart from the Fed policy, we will be watching out for the Conference Board Consumer Confidence, JOLTS Job Openings and home price indicators tonight.

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. While this has pressured the USD of late and should continue to do so, economic data continues to point to resilient economic activity and a still decent labor market, although some of the more forward-looking indicators are starting to indicate that growth could start to taper off in 1Q and as such, there is no change in 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	4.7134	4.7228	4.7290	4.7375	4.7416

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3402 before sliding to 1.3393 at the point of writing. The pair has remained around this level since then, and as such, we have a neutral outlook for this pair, eyeing trading range between 1.3373-1.3425. Key risk for this pair will remain USD-driven, while Singapore is set to release the unemployment rate and PMI numbers later in the week.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3337	1.3373	1.3393	1.3423	1.3445

MYR Crosses

SGD/MYR

SGD/MYR Neutral

SGD/MYR opened 0.13% higher at 3.5335 before paring its gains to trade at 3.5308 at the point of writing. Daily outlook is neutral in the absence of economic data on both sides of the border today, and eyeing trading range between 3.5226-3.5397.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.5163	3.5226	3.5308	3.5397	3.5514

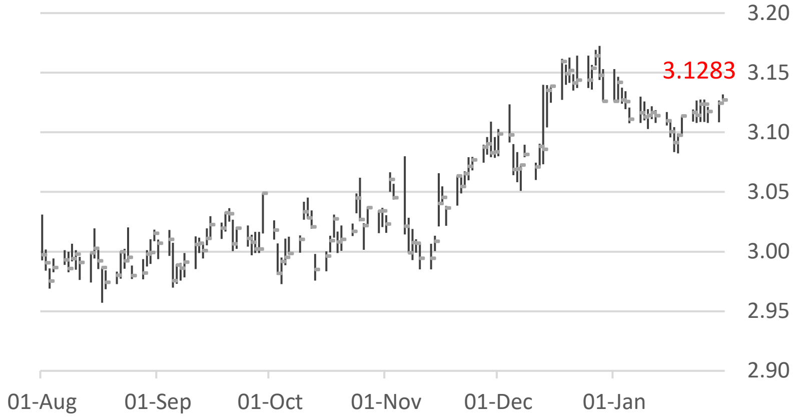
GBP/MYR

GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.09% higher at 6.0132 before paring all its gains to 6.0094 at the point of writing. Daily outlook is neutral-to-slightly bearish given GBP weakness, but losses will be capped given that GBP/USD pair remained well-supported above the 1.2700 mark during the early Asian session and as investors largely awaiting BOE's decision and statement later in the week for a clear direction to the GBP.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9896	6.0014	6.0094	6.0244	6.0356

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.21% higher at 3.1311 before erasing some of its gains to trade at 3.1283 at the point of writing. The performance mirrored AUD/USD performance, where the pair shot up to 0.6625 but pared its gains to 0.6614 after Australia's retail sales data tumbled more than expected and sent bonds higher.

arc	S2	S1	Indicative	R1	R2
AUD/MYR	3.0835	3.1017	3.1283	3.1381	3.1563

Source: Bloomberg, HLBB Global Markets Research

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