

30 May 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

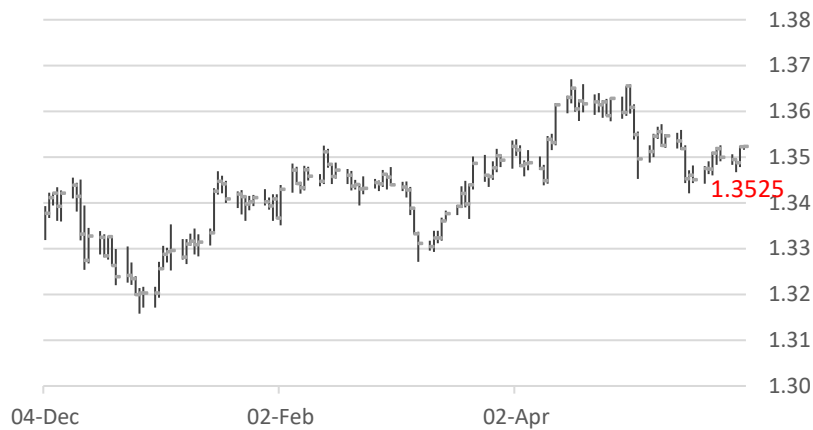
USD/MYR opened 0.03% higher at 4.7057 and strengthened to 4.7137 at the point of writing. Daily outlook is neutral-to-slightly bullish as a risk off environment saw USD extending gains against most of its G10 peers and major regional currencies in early morning trade. As it is, investors turned risk-averse overnight after the dismal 7Y Treasury auction and the Fed’s higher-for-longer stance sent Treasury yields higher. Next up on deck is the second reading of the 1Q GDP followed by core PCE price prints tomorrow.

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	4.6910	4.7017	4.7137	4.7232	4.7340

USD/SGD



USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.3522, traded within the 1.3516-1.3529 range before settling at 1.3525 at the point of writing. Daily outlook is neutral-to-slightly bullish, facing R1 and R2 at 1.3533 and 1.3544 respectively. Potentially capping gains is the expected downward revision in US 1Q GDP as well as contraction in pending home sales data.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3502	1.3512	1.3525	1.3533	1.3544

MYR Crosses

SGD/MYR

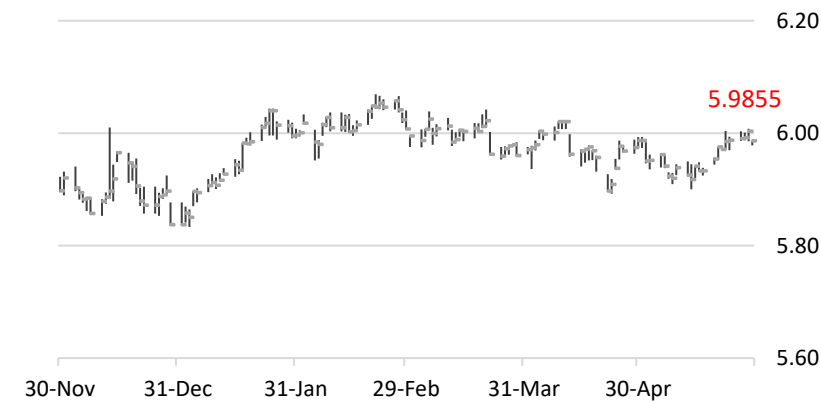


SGD/MYR Neutral

SGD/MYR opened 0.19% lower at 3.4797 before paring some of its gains to trade at 3.4851 at the point of writing. Daily outlook is neutral, with the pair expected to recover from its lower opening given a risk off environment. Thus, we expect this pair to trade within the 3.4764-3.4927 range.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4682	3.4764	3.4851	3.4927	3.5009

GBP/MYR



GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.39% lower at 5.9797 before paring some of its losses to trade at 5.9855 at the point of writing. Daily outlook is neutral-to-slightly bearish as GBP/USD pair weakened to below 1.2700 at the point of writing. In the absence of economic data releases from the UK today, election speculation and USD moves may be the key influence on GBP.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9638	5.9746	5.9855	5.9921	6.0008

AUD/MYR

AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 0.36% lower at 3.1146 before erasing some of its losses to trade at 3.1177 at the point of writing. Daily outlook is neutral-to-slightly bearish given the lower opening, but we expect losses to narrow later today as AUD/USD has regained some of its strength to trade above 0.6610 at the point of writing. This comes after mixed data from the Aussie front, with private capital expenditure unexpectedly accelerating but building approvals unexpectedly fall.

Cess	S2	S1	Indicative	R1	R2
AUD/MYR	3.1075	3.1119	3.1177	3.1208	3.1253

Source: Bloomberg, HLBB Global Markets Research

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