

30 October 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts - Neutral

USD/MYR opened 0.04% lower at 4.3767 before rebounding to 4.3800 at the point of writing. We prefer to stay neutral as we expect forex traders to stay largely cautious ahead of the US presidential election as well as the release of key US economic indicators. Data overnight was also mixed, with the JOLTS job openings data falling but consumer confidence improved, resulting in limited rate cut bets by the FOMC next week. Key risks today and tomorrow will be advanced 3Q GDP prints, core-CPI prices and more labour data like the ADP employment change and Challenger job cuts reports.

1-Month Outlook – USD/MYR Neutral

The USD/MYR outlook is neutral as the pair consolidates after the recent MYR rally, and as traders continue to trade cautiously in USD on uncertainties over the pace of rate cuts following the higher-than-expected price prints and more resilient than expected labour data released recently. The Fed reduced interest rates by 50bps at the September FOMC meeting and indicated more cuts to come this year, with the dot plot pointing to a further reduction of another 50bps for the rest of the year. The market has also pared down its pricing from another three 25bps cuts to less than two 25bps cuts for the remaining 2 FOMC meetings for the year. Domestically, the MYR will be supported by expectations for an extended pause in the OPR.

	S2	S1	Indicative	R1	R2
USD/MYR	4.3619	4.3720	4.3800	4.3843	4.3885

USD/SGD

USD/SGD Neutral

USD/SGD opened flat at 1.3241, traded within the 1.3231-1.3244 range before settling at 1.3242 at the point of writing. We prefer to stay neutral amid US election risks as well as quiet trading on the Singapore front ahead of the Deepavali holiday tomorrow. This pair is expected to be traded within the 1.3226-1.3252 range today.



	S2	S1	Indicative	R1	R2
USD/SGD	1.3213	1.3226	1.3242	1.3252	1.3265

MYR Crosses

SGD/MYR

SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.05% higher at 3.3079 before trending up to 3.3092 at the point of writing. Daily outlook is neutral-to-slightly bullish on account of the higher opening and upper trajectory subsequent to that, but facing R1 and R2 at 3.3111 and 3.3186 today.

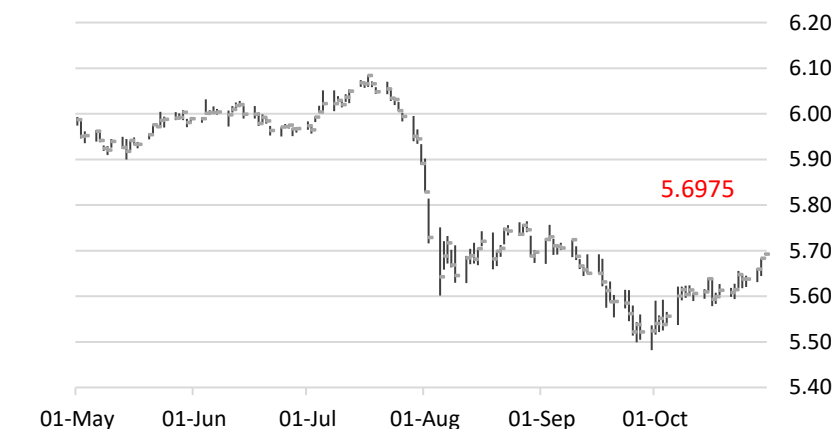


	S2	S1	Indicative	R1	R2
SGD/MYR	3.2886	3.2961	3.3092	3.3111	3.3186

GBP/MYR

GBP/MYR Slightly Bullish

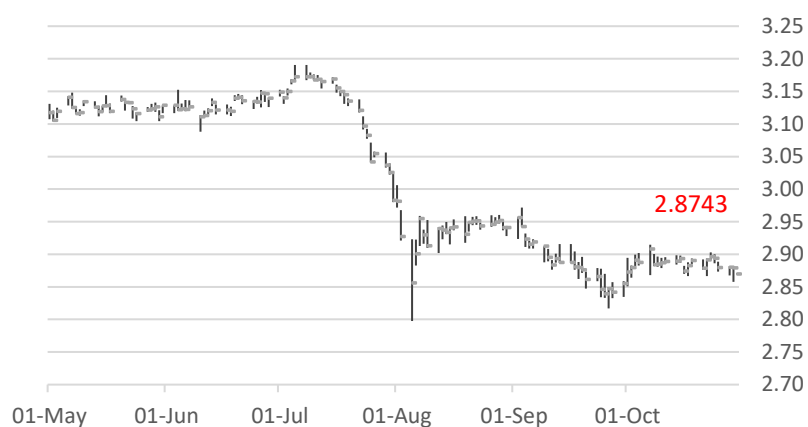
GBP/MYR opened 0.20% higher at 5.6944 and strengthened to 5.6975 at the point of writing. Daily outlook is slightly bullish on the back of GBP strength ahead of its Autumn Budget and as GBP/USD held firmly around the 1.3010 level in early Asian trade. As it is, this will be the first budget under the new government, with chatters of higher taxes from capital gains to inheritance.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.6791	5.6880	5.6975	5.7026	5.7080

AUD/MYR

AUD/MYR Neutral-to-Slightly Bearish



AUD/MYR opened 0.28% lower at 2.8706 before paring some of these losses to trade at 2.8743 at the point of writing. Daily outlook is neutral-to-slightly bearish on the back the lower opening and on the back of softer CPI prints this morning on the Aussie front. CPI nonetheless remained elevated above RBA's target range at this juncture, supporting our view that RBA will most likely maintain rates next week and capping losses for this pair today.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.8602	2.8676	2.8743	2.8789	2.8826

Source: Bloomberg, HLBB Global Markets Research

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damansara

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email:

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