

8 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 0.09% higher at 4.7428 and trended up to 4.7467 at the point of writing. Daily outlook is neutral-to-slightly bullish as USD strengthened against its G10 peers and most regional currencies after Fed President Keel Kashkari commented that he expects the FOMC to hold rates for an extended period. It will be another day of light economic calendar but Fed Presidents Jefferson, Collins and Cook are due to speak and we will be watching out for these as potential influence in the FX space.

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 and after Fed Chair Jerome Powell hit a less than expected hawkish tone. Powell downplayed prospects of rate hikes despite the lack of further progress towards the 2% inflation objective in recent months, and with this, markets are now expecting Fed rate reductions to 1-2 cuts this year. Data wise, meanwhile, remains solid while price print points to uneven disinflation path. 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	4.7392	4.7430	4.7467	4.7508	4.7565

USD/SGD



USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.3545 before trading up to 1.3559 at the point of writing. Similarly, we have a neutral-to-slightly bullish outlook for this pair on USD strength, facing resistance levels at 1.3574 (R1) and 1.3594 (R2) respectively.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3513	1.3533	1.3559	1.3574	1.3594

MYR Crosses

SGD/MYR

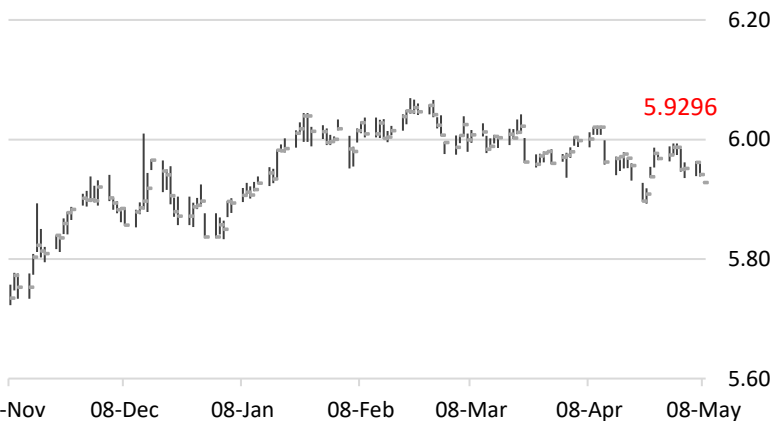


SGD/MYR Neutral

SGD/MYR opened 0.08% lower at 3.4975, traded within 3.4975-3.5020 range before settling at 3.5007 at the point of writing. Daily outlook is neutral, eyeing trading range between 3.4951-3.5041 given that the pair has largely traded within range bound this morning and investors stay cautious ahead of the BNM MPC meeting tomorrow.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4906	3.4951	3.5007	3.5041	3.5086

GBP/MYR



GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.21% lower at 5.9285 before paring some of its losses to trade at 5.9296 at the point of writing. Daily outlook is neutral-to-slightly bearish as GBP/USD pair trades on a softer note around 1.2500 in early Asian sessions. Capping losses is investors' nervousness ahead of the BOE decision and statement tomorrow.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9210	5.9244	5.9296	5.9313	5.9348

AUD/MYR

AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 0.02% lower at 3.1244 and slid to 3.1202 at the point of writing. Daily outlook is neutral-to-slightly bearish as AUD/USD weakened below 0.6600 this morning after RBA stuck to its neutral stance in its latest monetary policy meeting. This pair, will nonetheless, be supported at 3.1125 (S1) and 3.1036 (S2).

Cess	S2	S1	Indicative	R1	R2
AUD/MYR	3.1036	3.1125	3.1202	3.1304	3.1394

Source: Bloomberg, HLBB Global Markets Research

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