

16 May 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Slightly Bearish

USD/MYR opened 0.40% lower at 4.6875 and slid to 4.6848 at the point of writing. Daily outlook is slightly bearish as most Asian currencies strengthened against the Dollar on rate cut expectations boost, hit by double dose of softer inflationary pressures and stalled retail sales numbers. Today, we will see the release of US IPI data, import/export prices, jobless claims, Fed regional indices as well as a slew of Fed speaks, most notably Fed President Michael Barr’ testimony to the Senate.

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	4.6605	4.6716	4.6848	4.6938	4.7049

USD/SGD



USD/SGD Neutral-to-Slightly Bearish

USD/SGD opened flat at 1.3452 and slid to 1.3439 at the point of writing. Similarly, we have a neutral-to-slightly bearish outlook for this pair as the greenback weakened against G10 and regional currencies, with losses seen capped at 1.3406 (S1) and 1.3377 (S2) as the pair veers towards the oversold territory.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3377	1.3406	1.3439	1.3464	1.3493

MYR Crosses

SGD/MYR

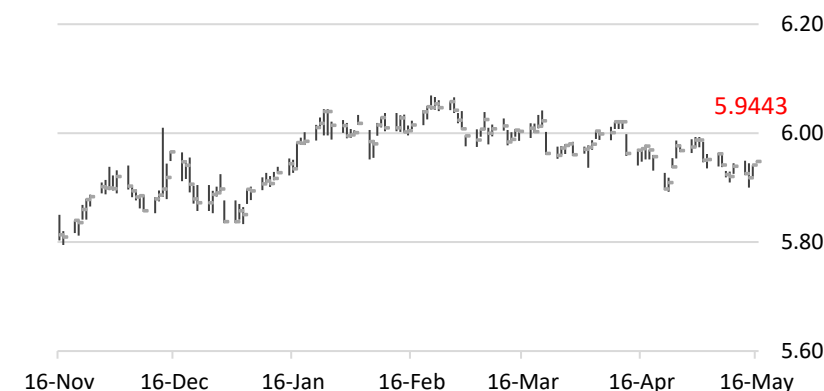


SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.40% higher at 3.5026 but quickly reversed gains to trade at 3.4869 at the point of writing. Daily outlook is neutral-to-slightly bearish given the downward trajectory post opening, eyeing support levels at 3.4686 (S1) and 3.4465 (S2) respectively. Key risk for this pair will be on Friday with Singapore's NODX and Malaysia's 1Q GDP print on deck.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4465	3.4686	3.4869	3.5121	3.5339

GBP/MYR



GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.11% higher at 5.9474 but retreated to 5.9443 at the point of writing. Daily outlook is neutral-to-slightly bullish on relative GBP strength. GBP/USD continued to hover around the 1.2700 level at the point of writing., hence likely driving GBP/ MYR higher today.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9156	5.9289	5.9443	5.9555	5.9686

AUD/MYR

AUD/MYR Neutral

AUD/MYR opened 0.40% higher at 3.1400 before paring some of its gains to trade at 3.1308 at the point of writing. Daily outlook is neutral as gains are seen capped as AUD/USD weakened to 0.6679 at the point of writing from its morning peak of 0.6714. This comes after Australian unemployment rate rose more than expected to 4.1% in April.

Cess	S2	S1	Indicative	R1	R2
AUD/MYR	3.1196	3.1247	3.1308	3.1400	3.1494

Source: Bloomberg, HLBB Global Markets Research

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