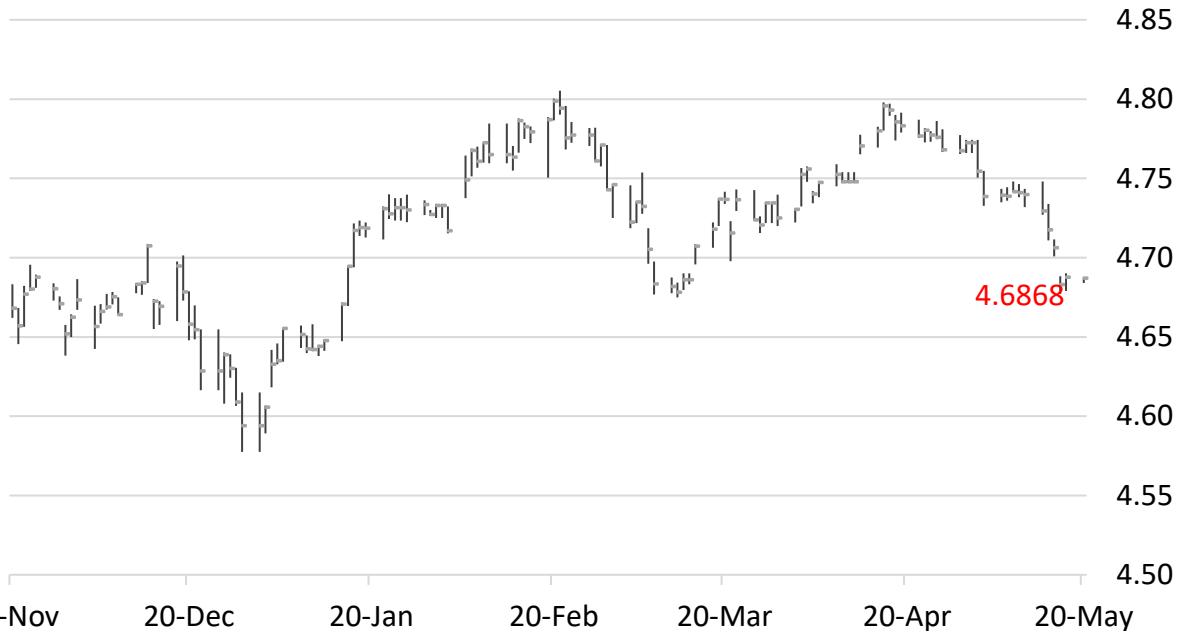


20 May 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral

USD/MYR opened flat at 4.6875 and slid to 4.6868 at the point of writing. We have a neutral outlook for this pair, pending the release of Malaysia’s trade numbers at noon. As it is, consensus is expecting Malaysia’s exports to rebound to +14.1% y/y in April from -0.8% y/y previously and any surprises could potentially swing the pair. On top of that, Malaysia’s CPI is due on deck later in the week, but before that the FOMC minutes of the May 1st meeting will be headlining, which could shed more light on the latest thinking at the US central bank. Preliminary US PMIs for May are also due, which should offer some clues on the trajectory of the economy in 2Q.

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	4.6791	4.6826	4.6868	4.6895	4.6931

USD/SGD



USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened 0.05% higher at 1.3457 and was seen traded little changed at 1.3455 at the point of writing. Daily outlook is neutral-to-slightly bullish on SGD weakness against G10 currencies, weighed down by the slightly disappointing Singapore trade data last Friday. Key focus this week will shift to the upcoming CPI number as well as the final print to Singapore's 1Q GDP.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3420	1.3427	1.3455	1.3471	1.3483

MYR Crosses

SGD/MYR

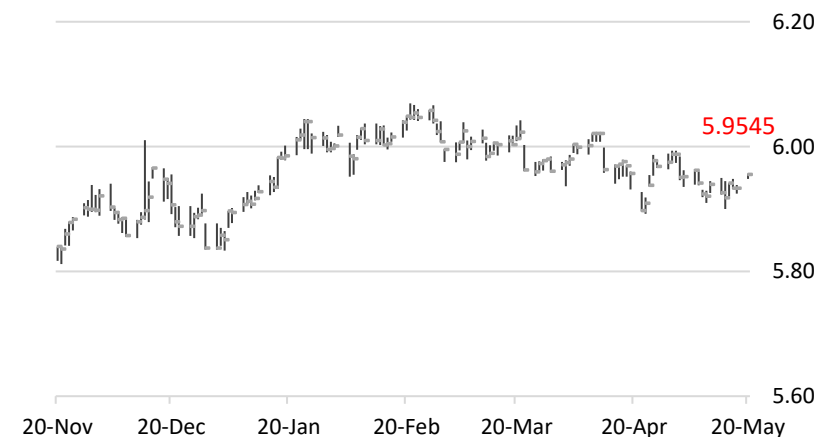


SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.16% higher at 3.4852 but pared some of its gains to trade at 3.4833 at the point of writing. Daily outlook is neutral-to-slightly bullish given the higher opening, but gains are capped given MYR strength against regional currencies. This pair is expected to face resistance at 3.4874 (R1) and 3.4909 (R2) respectively.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4769	3.4804	3.4833	3.4874	3.4909

GBP/MYR



GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.39% higher at 5.9559 before retreating slightly to 5.9545 at the point of writing. Daily outlook is neutral-to-slightly bullish on GBP strength against regionals, given the mixed results on the UK labour market, while the focus of attention is now shifting to the string of price prints this week.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9362	5.9499	5.9545	5.9616	5.9700

AUD/MYR

AUD/MYR Slightly Bullish

AUD/MYR opened 0.70% higher at 3.1406 and strengthened to 3.1410 at the point of writing. Daily outlook is slightly bullish on AUD strength, with AUD/USD pair trades with a mild positive bias around 0.6700 during the early Asian session. The coming week sees the release RBA minutes of the May policy meeting, consumer confidence numbers as well as the preliminary Australian PMIs for May.

Cess	S2	S1	Indicative	R1	R2
AUD/MYR	3.1276	3.1338	3.1410	3.1460	3.1522

Source: Bloomberg, HLBB Global Markets Research

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