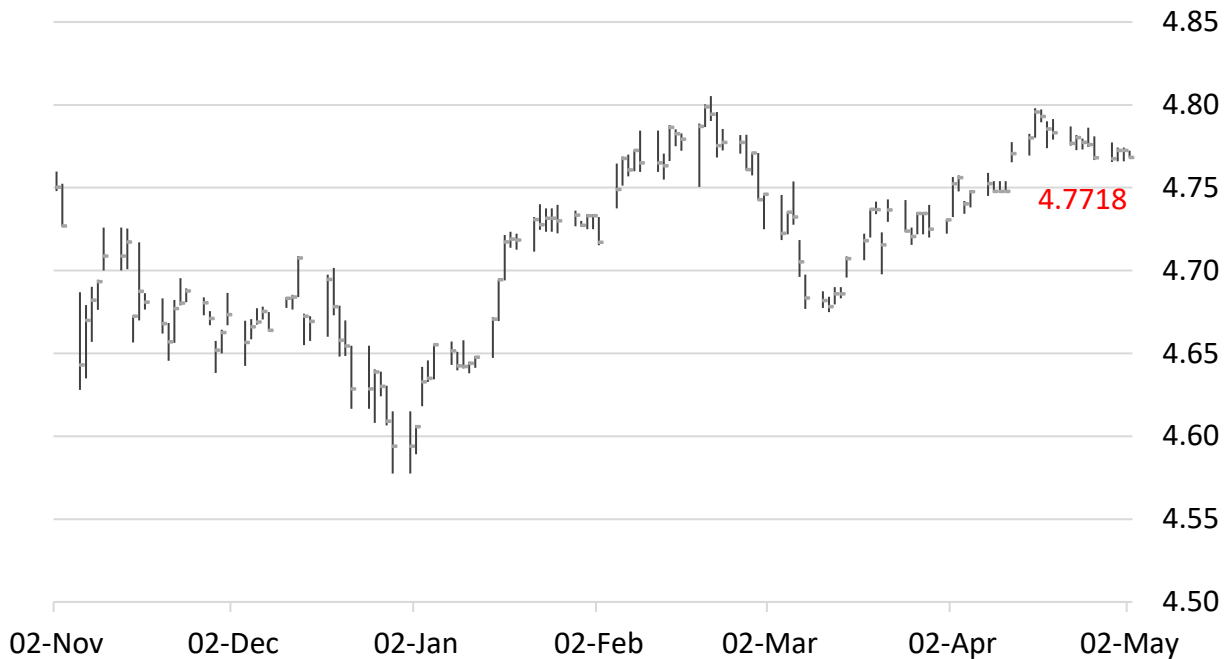


2 May 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bearish

USD/MYR opened flat at 4.7723, trending up to as high as 4.7743 before retreating again to 4.7718 at the point of writing. Daily outlook is neutral-to-bearish as the Dollar Index lost more traction this morning to 105.73, after Fed flagged inflation concerns but highlighted that a rate hike remains unlikely. Data overnight, meanwhile was mixed, with consumer confidence and ISM-manufacturing deteriorating labour data suggests a cooling but still tight labour market. Key risk today will be another round of employment numbers, like the Challenger job cuts, jobless claims and labour costs, as well as factory orders, before the closely watched nonfarm payroll print on Friday.

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. This comes as Fed Chair Jerome Powell downplayed prospects of rate hikes despite the lack of further progress towards the 2% inflation objective in recent months, and markets have largely dialled back the magnitude and timing of Fed rate reductions to 1-2 cuts this year, after the slew of still solid economic and labour data, and amidst an 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	4.7596	4.7657	4.7718	4.7779	4.7840

USD/SGD



USD/SGD Neutral-to-Slightly Bearish

USD/SGD opened flat at 1.3608, rose to as high as 1.3615 before losing its lustre to trade at 1.3595 at the point of writing. Daily outlook is neutral-to-slightly bearish given a softer USD outlook and downward trajectory post opening. Today, we will see the release of Singapore's official PMI and tomorrow, its retail sales number where consensus is expecting a pullback from +8.4% y/y to +2.8% y/y.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3558	1.3579	1.3595	1.3625	1.3641

MYR Crosses

SGD/MYR



SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.04% higher at 3.5083, traded within 3.5039-3.5106 before settling at 3.5101 at the point of writing. Daily outlook is neutral-to-slightly bullish as a risk averse appetite is supportive of SGD while MYR is expected to remain weak on the back of the plunge in oil prices overnight.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4950	3.5017	3.5101	3.5126	3.5151

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.08% lower at 5.9822 but pared some of its losses to trade at 5.9826 at the point of writing. Daily outlook is neutral with the lower opening expected to be offset by GBP strength, with the GBP/USD pair gaining traction near 1.2537 at the point of writing.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9634	5.9711	5.9826	5.9868	5.9945

AUD/MYR

AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.03% lower at 3.1162 but quickly rebounded to 3.1186 at the point of writing. Daily outlook is neutral-to-slightly bullish as the AUD/USD pair extended recovery around 0.6535 at the point of writing. Nonetheless we expect gains to be largely capped with the pullback in retail sales data overnight, dampening recent speculation that the RBA's next move in interest rates might be up.

Cess	S2	S1	Indicative	R1	R2
AUD/MYR	3.1009	3.1077	3.1186	3.1213	3.1281

Source: Bloomberg, HLBB Global Markets Research

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