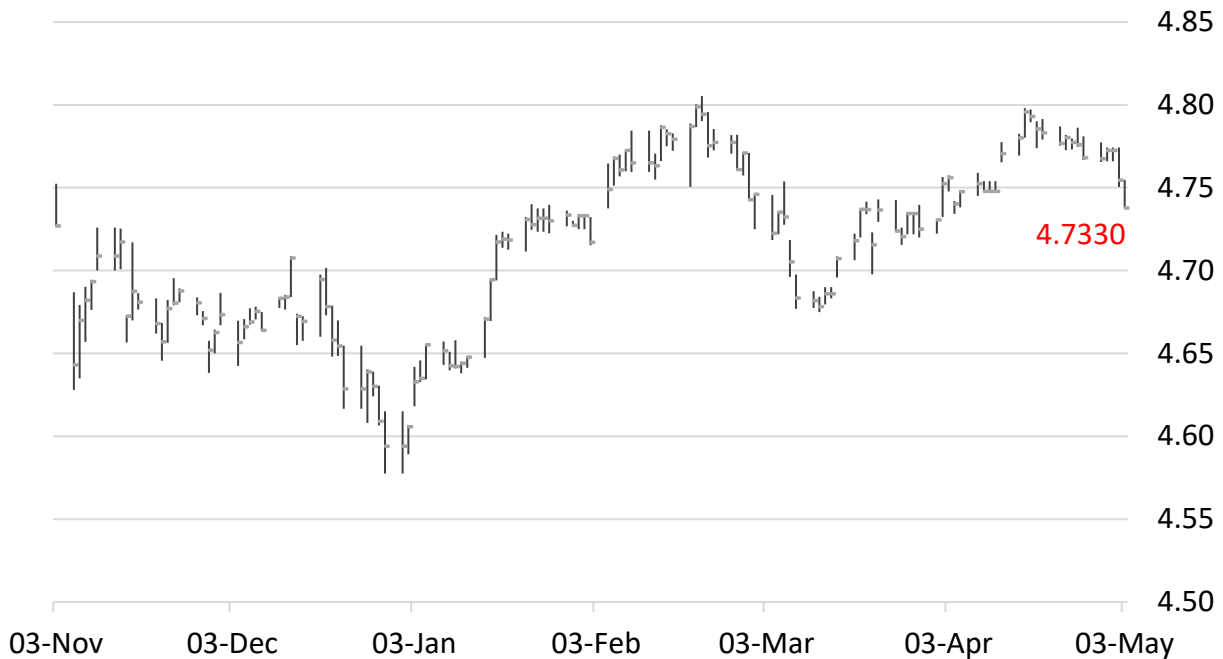


3 May 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bearish

USD/MYR opened 0.01% lower at 4.7540 and plunged to 4.7330 at the point of writing. Daily outlook is neutral-to-slightly bearish as USD lost further grounds against most regional and G10 currently amidst lower Treasury yields for the second day. As it is, DXY slid further to 105.20 at the point of writing, after touching as low as 105.18 this morning. Losses will nonetheless be capped given the upcoming highly watched non-farm payroll data, as any upward surprises on this could potentially send the USD making a U-turn and advance again very quickly.

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	4.7188	4.7269	4.7330	4.7490	4.7630

USD/SGD



USD/SGD Neutral-to-Slightly Bearish

USD/SGD opened 0.01% higher at 1.3550 but quickly made a U-turn to 1.3523 at the point of writing. On account of the lower trajectory post opening and USD weakness, we have neutral-to-slightly bearish outlook for this pair, but with support levels seen at 1.3499 (S1) and 1.3463 (S2) respectively. Other from US NFP, we will also be watching out for Singapore's retail sales data today.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3463	1.3499	1.3523	1.3549	1.3571

MYR Crosses

SGD/MYR



SGD/MYR Neutral

SGD/MYR opened 0.39% higher at 3.5117 but pared its gains to trade at 3.4994 at the point of writing. We prefer to stay neutral on this pair pending the release of Singapore retail sales data, eyeing trading range between 3.4935-3.5103.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4869	3.4936	3.4994	3.5103	3.5182

GBP/MYR



GBP/MYR Neutral-to-slightly bearish

GBP/MYR opened 0.20% higher at 5.9618 but quickly erased all its gains to trade at 5.9413 at the point of writing. Daily outlook is neutral-to-slightly bearish given GBP weakness against regionals as well as MYR strength, with the next key risk for this pair being the upcoming monetary policy meetings for both economies next week. We are eyeing support levels at 5.9309 (S1) and 5.9201 (S2) respectively for this pair.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9201	5.9309	5.9413	5.9575	5.9728

AUD/MYR

AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.60% higher at 3.1241 but lost some of its lustre to trade at 3.1146 at the point of writing. Daily outlook is neutral-to-slightly bullish given the higher opening and as AUD/USD held gains above the psychological support of 0.6500. Data this morning was also supportive of the AUD with the home loans value unexpectedly accelerating to +3.1% m/m from +1.9% m/m previously.

Cess	S2	S1	Indicative	R1	R2
AUD/MYR	3.0852	3.1011	3.1146	3.1242	3.1325

Source: Bloomberg, HLBB Global Markets Research

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