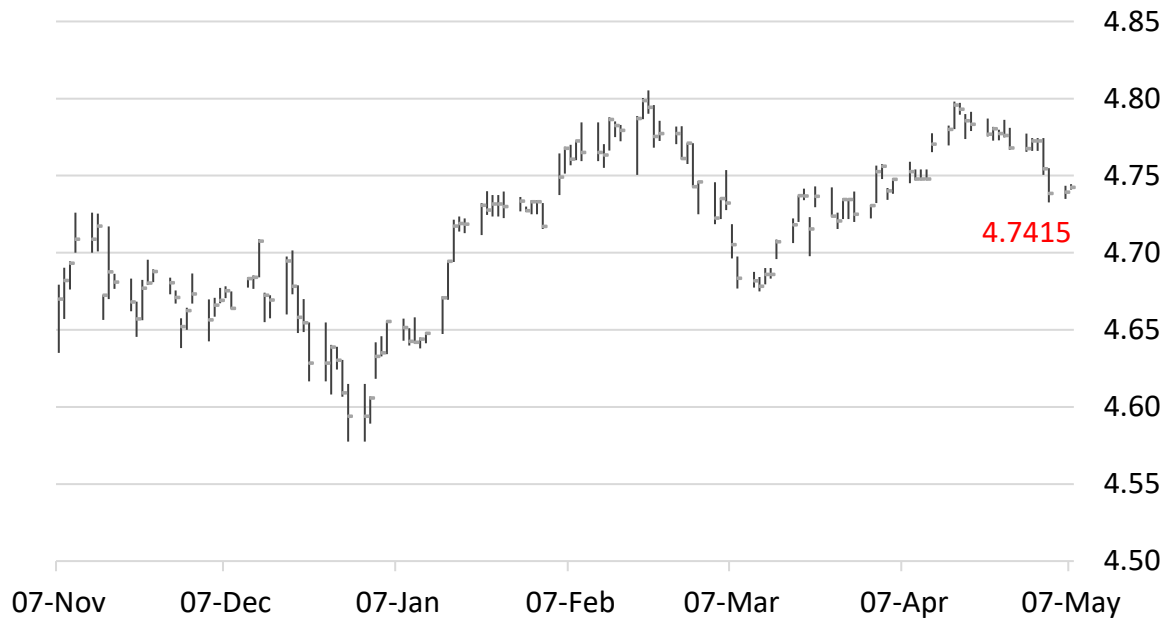


7 May 2024

**Global Markets Research**

**Daily Currency Outlook**

**USD/MYR**



Source: Bloomberg, HLBB Global Markets Research

**Intraday Thoughts – Neutral**

USD/MYR opened 0.06% higher at 4.7420 before retreating slightly to 4.7415 at the point of writing. Daily outlook is neutral as this week’s US data docket remains light, leaving Fed speak at the forefront driving the Dollar. Data overnight showed that US data banks tightened their lending standards, and there was weaker demand for consumer loans. The week will close out with Friday’s University of Michigan Consumer Sentiment Index which is expected to ease to 76.2 in May after the previous month’s 77.2. Prior to that, we will be watching out for BNM’s monetary policy statement for any change in the tone, but expectations are that the central bank will maintain its OPR at 3.00% at this juncture.

**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	4.7236	4.7321	4.7415	4.7491	4.7576

### USD/SGD

#### USD/SGD Neutral

USD/SGD opened flat at 1.3512 and edged up slightly to 1.3515 at the point of writing. In the absence of drivers to this pair today, we have a neutral outlook for this pair, eyeing trading range between 1.3493-1.3529 while noting a bullish bias given DXY trended up to 105.19 at the point of writing.



	S2	S1	Indicative	R1	R2
USD/SGD	1.3475	1.3493	1.3515	1.3529	1.3547

### MYR Crosses

#### SGD/MYR

#### SGD/MYR Neutral

SGD/MYR opened 0.07% lower at 3.5073 but pared some of its losses to trade at 3.5083 at the point of writing. Daily outlook is neutral, eyeing trading range between 3.5053-3.5138. Potential risk for this pair, in our opinion, is the risk on or off sentiment from Israel's response to the ceaseOfire proposal.

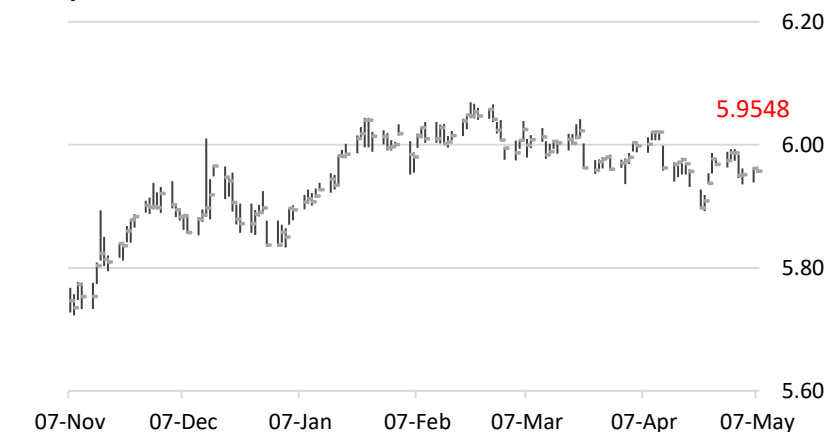


	S2	S1	Indicative	R1	R2
SGD/MYR	3.5011	3.5053	3.5083	3.5138	3.5180

#### GBP/MYR

#### GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.11% lower at 5.9550 and slid further to 5.9548 at the point of writing. Daily outlook is neutral-to-slightly bearish given the lower opening, downward trajectory subsequent to that and as GBP/USD trades in the red below 1.2560 in early morning trade. BOE's interest rate decision and statement will be in the spotlight this week, especially after dovish comments from the BoE officials recently.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.9459	5.9514	5.9548	5.9624	5.9679

**AUD/MYR**

**AUD/MYR Neutral**

AUD/MYR opened 0.01% lower at 3.1402, shot up to 3.1479 before quickly retreating to 3.1397 at the point of writing. We prefer to stay neutral pending RBA's decision and its accompanying statement today. While the central bank is expected to maintain its cash rates unchanged at 4.35%, traders will be watching out for any change in stance amidst the slower consumer spending data but uptick in inflation numbers.

Cess	S2	S1	Indicative	R1	R2
AUD/MYR	3.1294	3.1368	3.1397	3.1516	3.1590

Source: Bloomberg, HLBB Global Markets Research

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