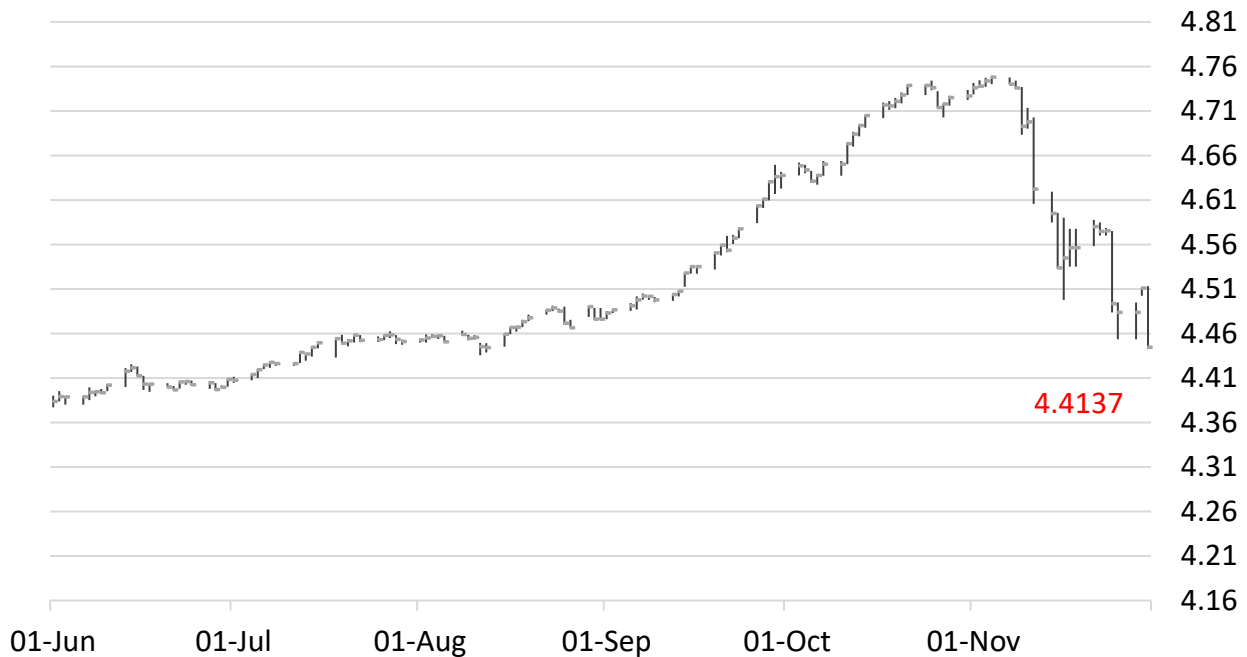


1 December 2022

Global Markets Research

Daily Currency Outlook

**USD/MYR**



Source: Bloomberg, HLBB Global Markets Research

**Intraday Thoughts – Bearish**

USD/MYR opened flat at 4.4450 and has since fallen to 4.4137 at the point of writing. We are bearish on this pair given that it has trended lower post-opening as well as a strong MYR vis-a-vis regional and G10 currencies this morning. The Dollar slipped overnight after the highly anticipated speech by Jerome Powell. He signalled that the Fed will slow the pace of rate increases as soon as this month but reiterated that borrowing costs will keep rising and remain restrictive to beat inflation. The dollar index traded 0.9% down d/d, breaking below the 106-threshold at 105.88 and weakened against G10 currencies. Investors will next look out for any surprises in the core PCE and non-farm payroll data.

**1-Month Outlook – USD/MYR Neutral to Slightly Bearish**

USD/ MYR has turned technically bearish following the recent sharp move lower, breaking various key support levels on the way, with 4.40 within reach soon. Reaffirmation from Fed Chair Powell that the Fed will slow the pace of rate hike as early as December marks the beginning of Fed policy pivot, and shall continue to dampen USD outlook going forward, hence benefitting the G10s and other EM currencies. Abatement in local political noises and favourable economic fundamentals domestically should also keep the MYR supported. However, given the oversold position in the pair after recent sharp moves, we expect more muted losses with 4.40 as a key support, hence our neutral outlook on a one-month horizon. A break below 4.40 will likely pave the way for the pair to head towards 4.35.

	S2	S1	Indicative	R1	R2
USD/MYR	4.3980	4.4075	4.4137	4.4280	4.4470

## MYR Crosses

### SGD/MYR

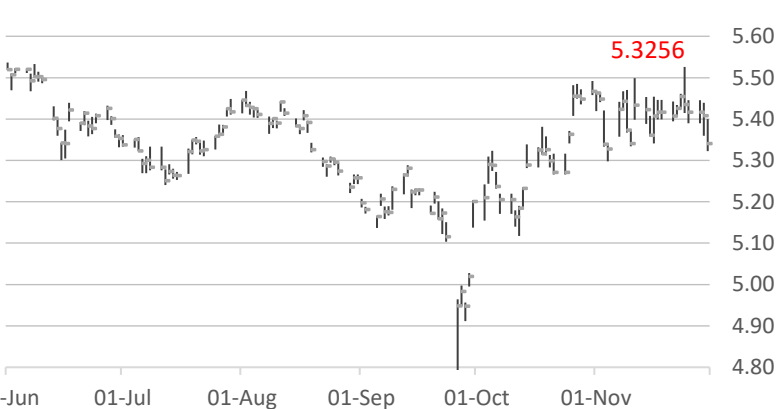


#### SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.59% higher at 3.2707 but has since retreated to 3.2476 at the point of writing. We are neutral-slightly bearish on this pair given the lower post-opening but note that Asian currencies have generally strengthened this morning boosted by Powell's comments on slower rate hike path.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.2146	3.2332	3.2476	3.2634	3.2780

### GBP/MYR



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

GBP/MYR opened 0.50% higher at 5.3671 but has dipped to 5.3256 at the point of writing. We are neutral-slightly bearish on this pair given that Asian currencies have generally strengthened this morning boosted by Powell's comments. Key risk to this pair will be UK PMI data scheduled today.

To	S2	S1	Indicative	R1	R2
GBP/MYR	5.2846	5.3186	5.3256	5.3481	5.3790

### AUD/MYR



#### AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 1.11% higher at 3.0223 but has since retreated to 2.9976 at the point of writing. Daily outlook is neutral-to-slightly bullish on the back of the higher opening. Prospect of Chinese economy reopening could support the pair, as well as expectations of another 25bps hike in RBA rates next week. Key risk is the downbeat economic numbers released over the past 2 days, especially the surprised pullback in inflation numbers.

To	S2	S1	Indicative	R1	R2
AUD/MYR	2.9345	2.9670	2.9976	3.0077	3.0185

Source: Bloomberg, HLBB Global Markets Research

**Hong Leong Bank Berhad**

Fixed Income &amp; Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damansara

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: [HLMarkets@hlbb.hongleong.com.my](mailto:HLMarkets@hlbb.hongleong.com.my)**DISCLAIMER**

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