

8 August 2022

Global Markets Research
Daily Currency Outlook
USD/MYR


Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to Slightly Bearish

USD/MYR opened 0.21% higher at 4.4600. The dollar rallied last Friday as the super strong US job growth led the markets to reassess US recession possibilities and the Federal Reserve rate hikes' path. USD/MYR is expected to remain supported today above 4.4550 and attempts to break 4.4600 before targeting 4.4650. Cautious sentiment may render the effort unsuccessful ahead of this week's US CPI data as well as Malaysia's 2Q22 GDP report.

1-Month Outlook – MYR Neutral to Slightly Bullish

We expect the MYR to recover some lost ground, supported by further domestic economic recovery and a catch-up in BNM policy normalization. BNM is expected to hike the OPR by another 50bps this year, bringing the OPR to 2.75% at the year end. The elevated oil prices coupled with the increase in minimum wage to RM1,500 effective 1st May should continue to support economic growth. We have taken into account the broader USD strength which appears to have peaked in this current cycle as the Fed is expected to turn less hawkish in view of weaker data.

	S2	S1	Indicative	R1	R2
USD/MYR	4.4265	4.4400	4.4595	4.4650	4.4700

MYR Crosses

SGD/MYR



SGD/MYR Neutral

SGD/MYR opened 0.50% lower at 3.2206. The cross hit 3.2400 last Friday before retreating back to 3.2200-3.2300 as the Singaporean dollar bore the brunt of the post-NFP dollar rally. After the sharp retreat, the start of a new week ahead of key US CPI data should keep the cross grounded at current levels. There is no major data coming out from Singapore this week.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.2050	3.2150	3.2282	3.2350	3.2400

GBP/MYR



GBP/MYR Slightly Bearish

GBP/MYR opened 0.80% lower at 5.3678. The sterling slipped alongside other majors in the face of strong USD sentiment. We continue to see the sterling underperforming the dollar on the weaker outlook, gap in policy tightening versus the Fed, exposure to the surging natural gas prices as well as political uncertainties. The UK 2Q GDP growth data are set to be released this week.

To	S2	S1	Indicative	R1	R2
GBP/MYR	5.3200	5.3540	5.3850	5.4160	5.4450

AUD/MYR



AUD/MYR Neutral to Slightly Bearish

AUD/MYR opened 0.65% lower at 3.0724, recovering to above 3.0800 as of writing. We are neutral to slightly bearish on AUD/MYR today in view of the strong USD sentiment. The robust China's trade data over the weekend failed to give a lift to the Aussie dollar. Australia's data this week are limited to consumer and business confidence measures.

To	S2	S1	Indicative	R1	R2
AUD/MYR	3.0500	3.0700	3.0843	3.1000	3.1200

Source: Bloomberg, HLBB Global Markets Research

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