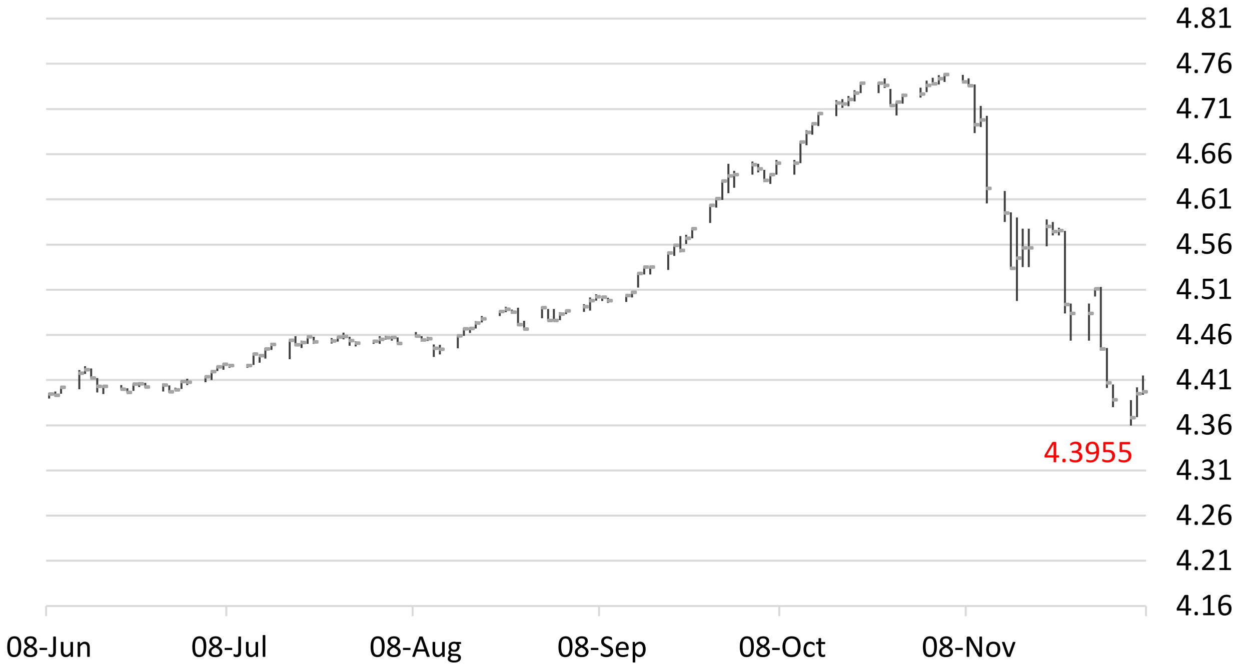
8 December 2022

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bearish

USD/MYR opened 0.02% higher at 4.3980 but has dipped to 4.3955 at the point of writing. Daily outlook is neutral to slightly bearish as the pair has dipped below previous day's close while US dollar weakened against major currencies overnight amid concerns that rising interest rates could push the US economy into recession. Adding to JPMorgan Chase's CEO Jamie Dimon and Bank of America CEO Brian Moynihan's comments earlier, Wells Fargo CEO Charlie Scharf flagged shrinking growth in credit-card spending and roughly flat debit card transaction volumes, suggesting slower consumption growth.

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. 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	4.3440	4.3710	4.3955	4.4250	4.4295

MYR Crosses

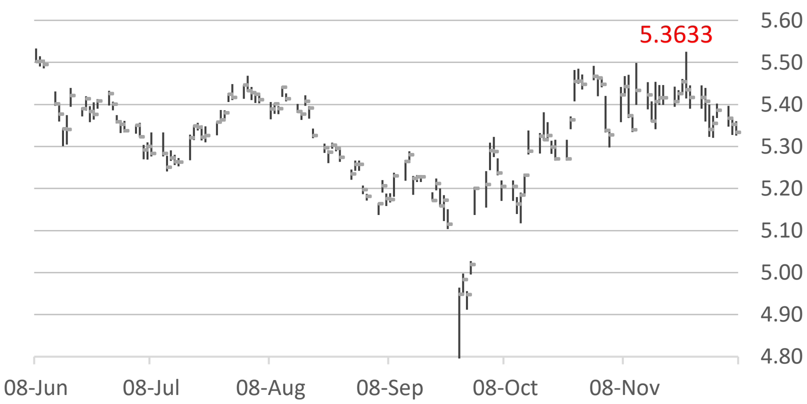
SGD/MYR

SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.33% higher at 3.2448 but has retreated slightly to 3.2413 at the point of writing. Daily outlook is neutral to slightly bullish on account of the higher opening but note that SGD has weakened against regional currencies this morning while Ringgit has strengthened against G10 and regional, with the exception of Thai baht, hence capping upside in the pair.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.2344	3.2380	3.2413	3.2449	3.2482

GBP/MYR



GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.66% higher at 5.3687 but fell slightly to 5.3633 at the point of writing. Daily outlook is neutral to slightly bullish on the back of the higher opening but this could be capped by Ringgit strength this morning while the sterling has weakened against regional but mixed against G10 currencies. Key risk this for this pair UK's inflation data and BOE's rate hike scheduled next week and Malaysia's IPI on Monday.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.2966	5.3072	5.3633	5.3719	5.4249

AUD/MYR

AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.76% higher at 2.9572 and retraced marginally to 2.9500 at the point of writing. Daily outlook is neutral to slightly bullish given the higher opening but we note that AUD has weakened against major and regional currencies this morning. Key risk to this pair will be swing in the market's sentiment, mainly due to tension between the US and China, which will affect the Chinese yuan, and thus, the AUD.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9129	2.9482	2.9500	2.9866	2.9899

Source: Bloomberg, HLBB Global Markets Research

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