

9 November 2022

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – USD/MYR Neutral to Slightly Bearish

USD/MYR opened relatively flat (+0.01%) at 4.7365, slipped to a low of 4.7245 at time of writing. Daily outlook is bearish following the weak Dollar overnight. The Dollar Index closed below the 110 handle and the greenback weakened against most G10 and regional currencies. The performance of this pair will take cue from the result of the US mid-term election while a strong reading of the US CPI tomorrow could potentially reverse bearishness in the pair.

1-Month Outlook – USD/MYR Neutral-to-Bullish

MYR is tilted to the bearish side given prospects of sustained USD strength. Slower than expected moderation in US CPI, coupled with resiliency seen in recent data releases, are expected to support the Fed's case for continued aggressive policy normalization going forward. At its latest FOMC meeting, the Fed suggested slower pace of rate hike going forward after three consecutive 75bps hike, but Fed Chair Powell guided for higher than previously projected terminal rate. This dampened hope of a policy pivot and lifted expectations that the Fed funds rate could potentially be raised to as high as 6.00% over the next year. This shall keep the USD bullish, suppressing emerging currencies as the yield gap with the US widens.

	S2	S1	Indicative	R1	R2
USD/MYR	4.7000	4.7150	4.7245	4.7556	4.7664

MYR Crosses

SGD/MYR



SGD/MYR Bullish

SGD/MYR opened 0.35% higher at 3.3881, but retreated to a low of 3.3770 at time of writing. Daily outlook is bullish following the higher opening and a firmer SGD outlook. However, expectations for a strong Malaysia's 3Q GDP due to be released on Friday and expectations for further OPR hikes could limit its upside for now.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.3600	3.3700	3.3770	3.3844	3.4000

GBP/MYR



GBP/MYR Bullish

Mirroring zig-zagging movement in other pairs, GBP/MYR opened 0.52% higher at 5.4703 and fell, touching a low of 5.4496 before rebounding to 5.4560 at time of writing. We are bullish on this pair following prospect of sustained gain in the sterling above the 1.15 handle. BOE speaks may add noises to the pair ahead of 3Q GDP releases from both the UK and Malaysia.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.3623	5.4076	5.4560	5.4820	5.5100

AUD/MYR



AUD/MYR Bullish

AUD/MYR opened 0.42% higher at 3.0818 but has since retreated to 3.0736 as of the point of writing. This pair has since traded range bound at 3.0710 to 3.0837. Daily outlook is bullish as the Aussie outlook remains supported above 0.65 on the back of a softer USD.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0311	3.0462	3.0736	3.0800	3.0925

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