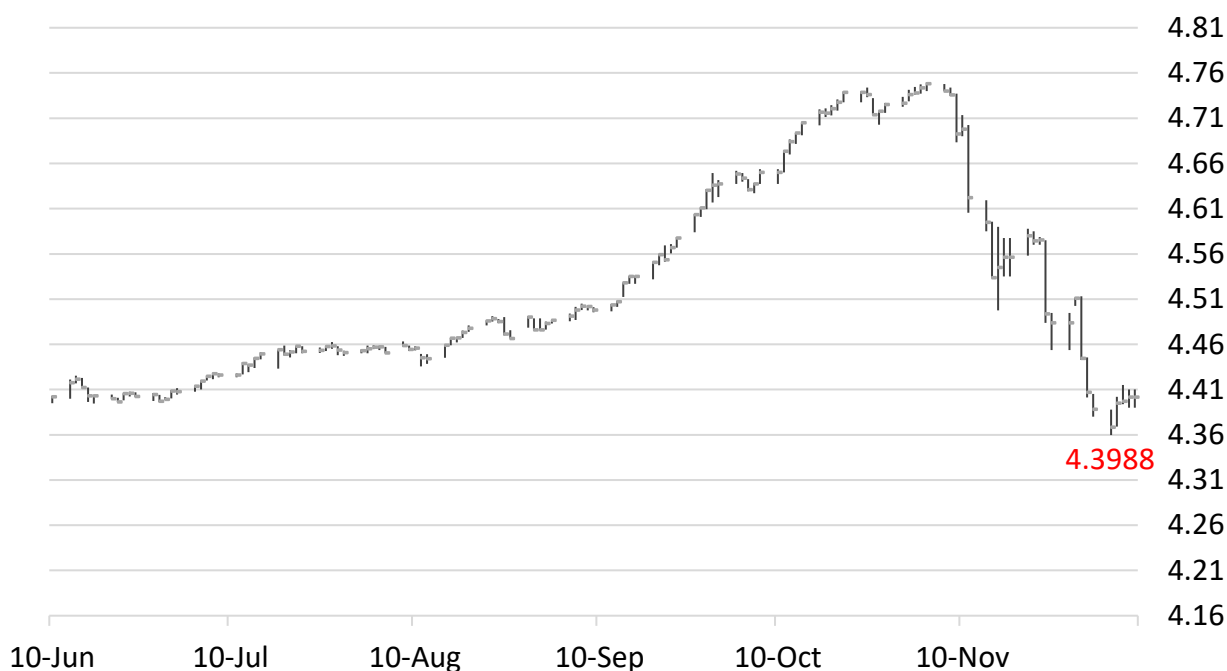


9 December 2022

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bearish

USD/MYR opened 0.07% lower at 4.3983 and has stayed largely unchanged at 4.3988 at the point of writing. Daily outlook is neutral-to slightly bearish as investors are expected to remain on the tenterhooks awaiting Fed and ECB decision for next market direction. As it is, next week's November US CPI, along with the PPI today, will be the key risk to this pair, yet at the same time, provide more clarity on direction of the inflation and rates going forward.

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 MYRaudmyr 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	4.3650	4.3910	4.3988	4.4213	4.4473

MYR Crosses

SGD/MYR



SGD/MYR Slightly Bullish

SGD/MYR opened 0.31% higher at 3.2498 and has since inched higher to 3.2553 at the point of writing. Daily outlook is slightly bullish on account of the higher opening as well as the upper trajectory subsequent to that. SGD will also be one of the key beneficiaries for further relaxation in China's COVID-policies. For next week, the key risk to this pair will be FOMC, the release of Singapore's NODX as well as Malaysia's IPI.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.2489	3.2521	3.2553	3.2593	3.2635

GBP/MYR



GBP/MYR Bullish

GBP/MYR opened 0.45% higher at 5.3807 and strengthened to 5.3847 at the point of writing. Positive market sentiment for GBP which has boosted its strength against G10 currencies, coupled with the higher opening tilts the daily outlook to bullish. We note, however, that GBP were mixed against regional currencies. Key risk this for this pair UK's inflation data and BOE's rate hike scheduled next week.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.3744	5.3830	5.3847	5.4462	5.5012

AUD/MYR



AUD/MYR Bullish

AUD/MYR opened 0.81% higher at 2.9798 and increased further to 2.9837 at the point of writing. AUD will benefit from yuan optimism on China reopening as well as better than expected PPI (-1.3% vs consensus: -1.5% d/d) released today. CPI matched expectation at +1.6%. AUD's latest trade data also held steady with massive commodity exports. Supported by a stronger opening and AUD strengthening against most regional and G10 currencies, daily outlook is bullish.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9655	2.9742	2.9837	3.0169	3.0409

Source: Bloomberg, HLBB Global Markets Research

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