

10 August 2022

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened little changed at 4.4530. USD/MYR is expected to remain supported today and likely keeping within a tight range amid a lack of direction, with attention concentrating on tonight's US CPI data. Malaysia will also report its 2Q22 GDP growth on Friday.

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	4.4400	4.4500	4.4560	4.4650	4.4700

MYR Crosses

SGD/MYR



SGD/MYR Neutral

SGD/MYR opened 0.14% lower at 3.2307. 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. We maintain the view that the cross should be constrained within a tight range ahead of the key US CPI data. There is no major data coming out from Singapore this week.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.2050	3.2150	3.2295	3.2350	3.2400

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.44% lower at 5.3774. GBP/USD continued to hold steadily amid a lack of major drivers. The US CPI data will set the direction for the sterling in terms of future Fed-BOE policy tightening gap. We see the sterling underperforming the dollar for now on the weaker outlook, Fed-BOE policy gap, exposure to the surging natural gas prices and political uncertainties. The UK 2Q GDP growth data are set to be released this week.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.3200	5.3540	5.3792	5.4160	5.4450

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.59% lower at 3.0961 as the aussie dollar weakened modestly against the USD overnight.. China's CPI and PPI inflation missed forecasts but failed to move the market. The anticipation for the US CPI data should keep the market cautious, rendering a neutral outlook for AUD/MYR.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0700	3.0900	3.1002	3.1300	3.1500

Source: Bloomberg, HLBB Global Markets Research

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