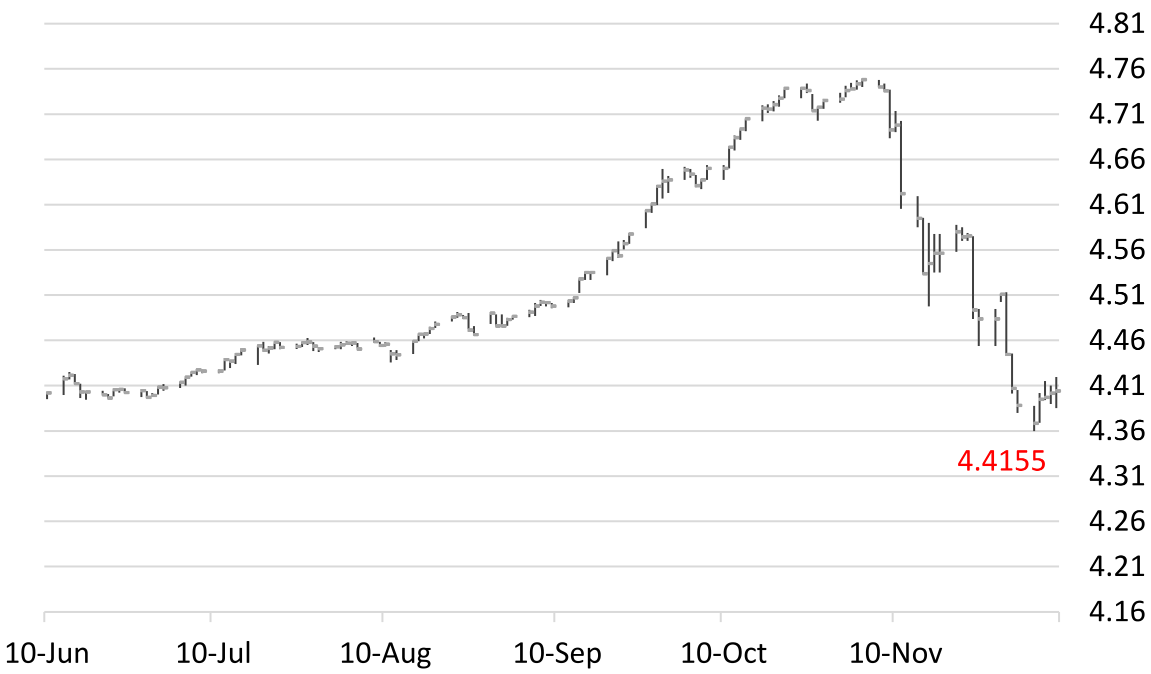
12 December 2022

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

USD/MYR opened 0.08% lower at 4.4005 but has since rebounded to 4.4155 at the point of writing. Daily outlook is neutral-to-slightly bullish given the upward trajectory post opening. USD also strengthened against most G10 and regional currencies this morning post higher-than expected PPI data released last Friday. Nevertheless, we believe that any gains could be capped by investors staying cautious ahead of FOMC meeting on 15th December. Other from that, CPI, retail sales, preliminary PMIs, retail sales and the usual weekly jobless claims will also be closely watched. From the MYR perspective, key risks would be the IPI number due to be released at noon. Ringgit, meanwhile, weakened against major and regional peers this morning.

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	4.2872	4.4011	4.4155	4.4295	4.4340

MYR Crosses

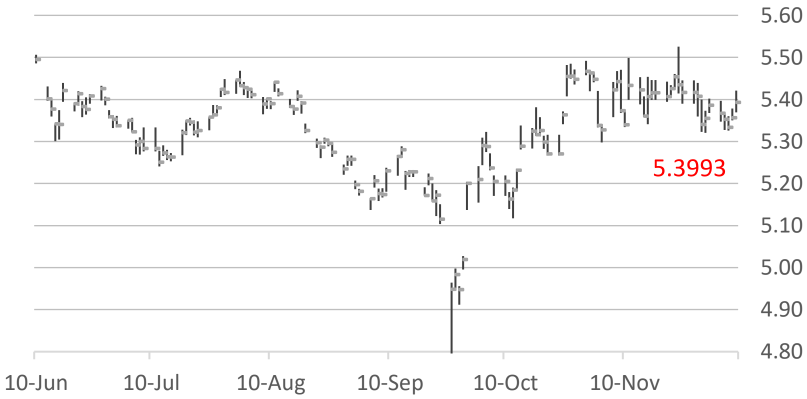
SGD/MYR

SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.11% lower at 3.2533 but has since edged up to 3.2622 at the point of writing. Daily outlook is neutral-to-slightly bullish given that SGD has settled close to prior day's close and has strengthened against most G10 currencies this morning. Key risk for this pair this week would be the NODX data due to be released on Friday, which would give an insight into Singapore's external demand and as well as direction of the SGD.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.2561	3.2597	3.2622	3.2665	3.2702

GBP/MYR



GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.08% lower at 5.3888 but has since retraced to above previous day's close at 5.3993 at the point of writing. Because of this, we are neutral-to-slightly bullish on this pair. Key risk will be investors' cautiousness ahead of the FOMC, ECB, and BOE meetings this week and on the data front, UK is scheduled to release its IPI, trade, unemployment and inflation indicators.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.2982	5.3508	5.3993	5.4125	5.4233

AUD/MYR

AUD/MYR Slightly Bullish

AUD/MYR opened 0.31% higher at 2.9857 and inched up to 2.9890 at the point of writing. Daily outlook is slightly bullish on account of the higher opening but any gains could be capped on account of the weaker AUD vis-à-vis most G10 and regional currencies this morning. Key data to watch for this pair is the CBA household spending, Westpac Consumer Confidence and NAB Business Confidence indices due to be released tomorrow.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9707	2.9820	2.9890	3.0236	3.0568

Source: Bloomberg, HLBB Global Markets Research

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