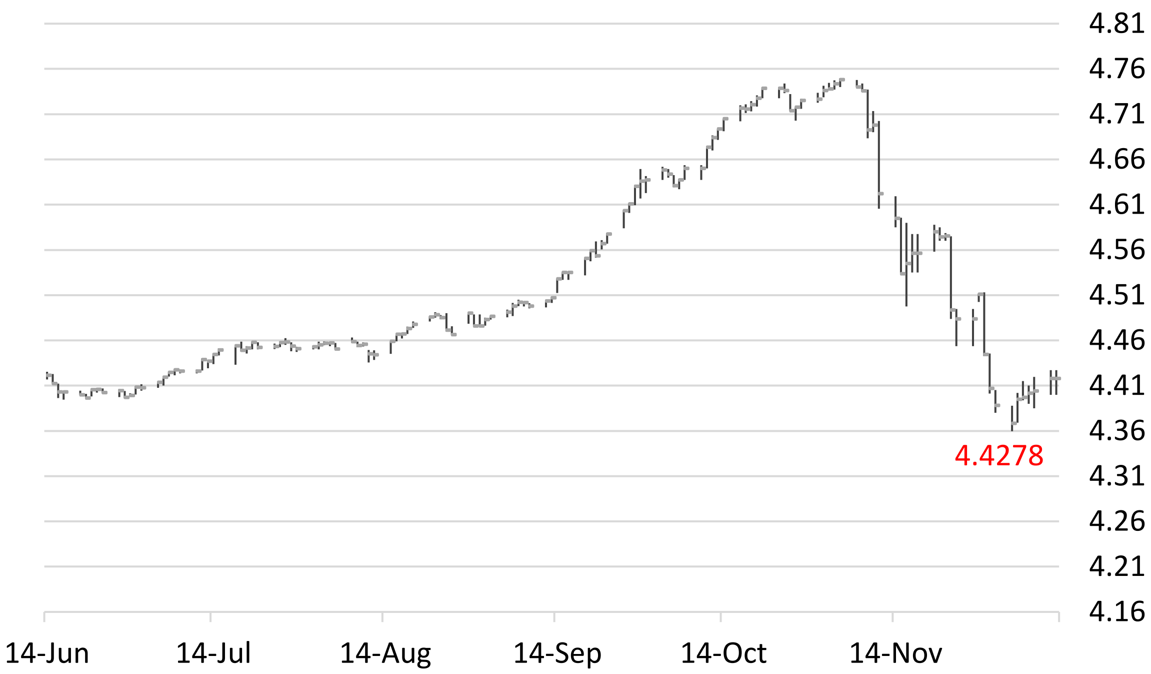
13 December 2022

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Slightly Bullish

USD/MYR opened 0.07% higher at 4.4210 and has since trended to 4.4278 at the point of writing. Daily outlook is slightly bullish following the higher opening as well as a broad weakness in MYR this morning. Supporting this will be echo from the recovery in US stock indices and DXY overnight as investors took a bullish stance ahead of the inflation data due to be released tonight as well as expectations of slower pace of rate hike in the FOMC meeting.

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	4.3780	4.4030	4.4278	4.4295	4.4340

MYR Crosses

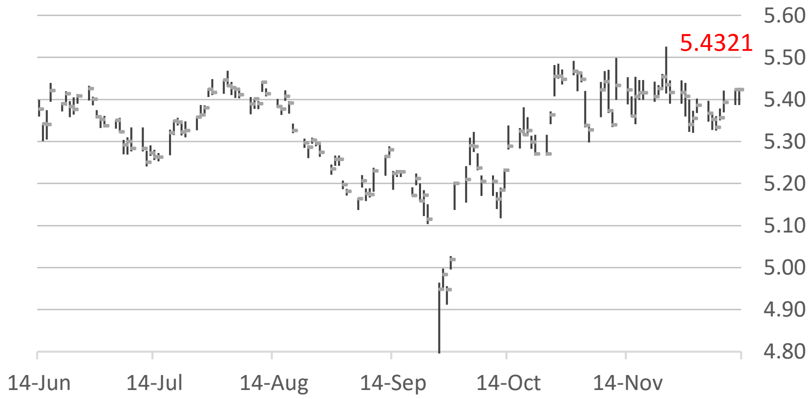
SGD/MYR

SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.16% lower at 3.2611 but has since rebounded to close above previous day's close at 3.2688 at the point of writing. Daily outlook is neutral-to-slightly bullish because of this, as well on account of broad SGD strength against all regional currencies except for the Korean won this morning. The only key data due to be released in Singapore this week will be the NODX on Friday.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.2638	3.2666	3.2688	3.2741	3.2775

GBP/MYR

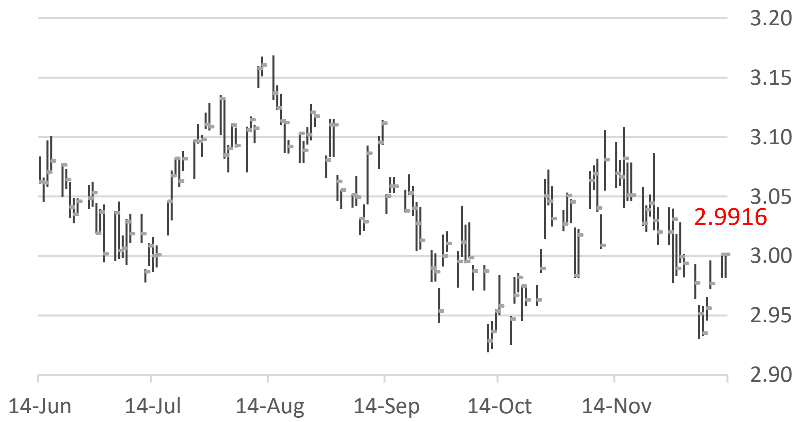


GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.06% lower at 5.4200 but has since drifted higher to 5.4321 at the point of writing. Daily outlook is neutral-to-slightly bullish on account of the higher trajectory post opening as well as GBP strength vis-à-vis regional currencies this morning. Nevertheless, we believe that investors will be restricting themselves from taking significant positions ahead of the monetary policy announcements by the Fed and BOE, capping gains for this pair.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.3484	5.3926	5.4321	5.4450	5.4890

AUD/MYR



AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 0.61% lower at 2.9828 but spiked to 2.9916 at the point of writing. Nevertheless, we note that AUD has snapped its 4-day rally against greenback and hence, we are neutral-to-slightly bearish on this pair. Investors will also be keeping an eye on the speech from RBA Governor Philip Lowe to provide cues about the likely monetary policy action in January 2023.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9671	2.9859	2.9916	3.0236	3.0325

Source: Bloomberg, HLBB Global Markets Research

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