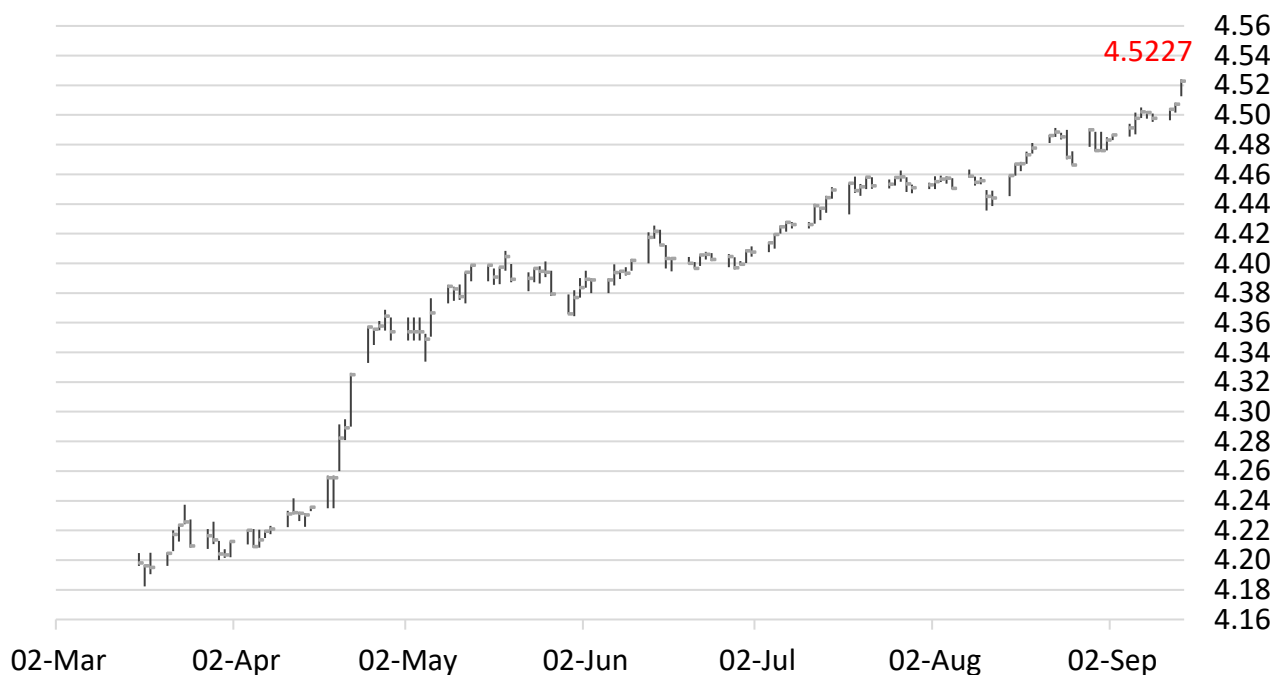


14 September 2022

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Bearish

USD/MYR opened 0.12% higher this morning at 4.5125 and continued to push higher, trading at 4.5227 at time of writing, driven by renewed USD strength that has pushed through the 110 handle again. The smaller than expected pullback in US CPI not only reinforced the case for a 75bps increase in the Fed rates next week but also spurred talks of a possible 100bps hike. USD/ MYR outlook is bullish today on the back of a bullish USD and higher opening.

1-Month Outlook – MYR Neutral-to-Slightly Bearish

We are turning slightly bearish on MYR 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. In addition to higher pricing for a 75bps increase in September FOMC meeting, talks of a 100bps Fed rate hike has surfaced and shall keep the USD bullish, suppressing emerging currencies as the yield gap with the US widens. That said, the MYR will remain supported by favourable domestic growth outlook amid continuous robust domestic consumption and a low base effect last year.

	S2	S1	Indicative	R1	R2
USD/MYR	4.4880	4.4950	4.5227	4.5300	4.5500

MYR Crosses

SGD/MYR



SGD/MYR Bearish

SGD/MYR opened hugely lower by 0.85% at 3.2054 but has since reclaimed some losses to 3.2153 at time of writing. Daily outlook is bearish following the much lower opening but we expect the pair to narrow its losses as USD/SGD has been holding up relatively well at the 1.40 handle. Over the medium term, the pair remains susceptible to slight upside risk as the SGD has demonstrated reasonably good resiliency, supported by expectations of MAS' policy tightening in October.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.1940	3.2020	3.2153	3.2230	3.2300

GBP/MYR



GBP/MYR Bearish

GBP/MYR opened immensely lower by 1.81% at 5.1848, tracking overnight plunge in the sterling, but has since traded back to the 5.20 levels. The sterling has bounced back up to 1.15s while the MYR weakens pass 4.52 this morning, indicating the pair may pare losses going into late Asian/ early European trading sessions. UK CPI will be the key focus now ahead of BOE's policy meet on 22-Sept, potentially infusing some volatility in the sterling.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.1662	5.1818	5.2030	5.2196	5.2536

AUD/MYR



AUD/MYR Bearish

AUD/MYR nosedived 2.36% to 3.0381 at opening this morning but managed to recoup some grounds, trading at 3.0493 at time of writing. Daily outlook is bearish despite a weaker MYR outlook as we do not think the Aussie would strengthen enough to offset the vastly lower opening in a risk-off environment.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0100	3.0276	3.0493	3.0682	3.0830

Source: Bloomberg, HLBB Global Markets Research

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