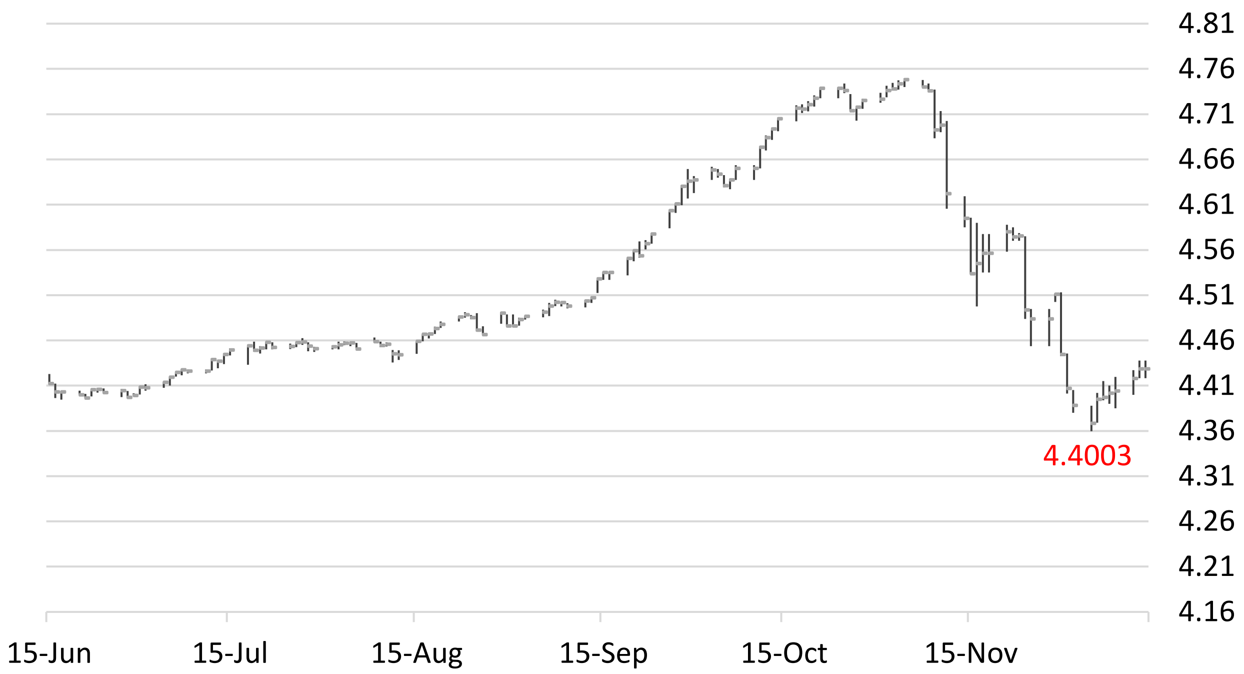
Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Bearish

USD/MYR opened 0.07% lower at 4.4255 and slipped to 4.4003 at the point of writing. This trend is not unexpected given that the Dollar Index fell 1.1% d/d to 103.98 post the inflation print, which came below expectation and the lowest this year. Coupled with a strong Ringgit vis-à-vis regional peers this morning and investors staying cautious ahead of the FOMC meeting, as seen in the retreat in stock indices after the initial spike, we are bearish on this pair today.

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	4.3745	4.3945	4.4003	4.4193	4.4393

MYR Crosses

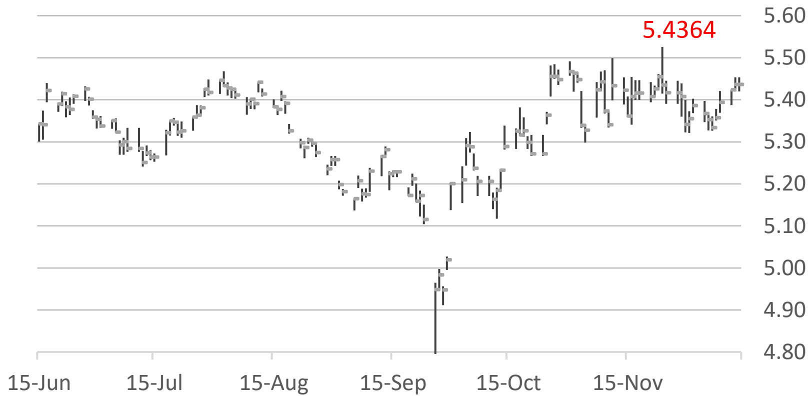
SGD/MYR

SGD/MYR Neutral

SGD/MYR opened 0.64% higher at 3.2878 but has since retreated to 3.2643 at the point of writing. This is a shade lower than prior day's close and thus, we are neutral on this pair. SGD weakened against most of its regional peers this morning and key risk will be FOMC policy decision and rhetoric followed by NODX data due to be released on Friday.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.2583	3.2613	3.2643	3.2677	3.2715

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.65% higher at 5.4710 but drifted close to its previous close, at 5.4364 at the point of writing. Daily outlook is neutral as gains from the higher opening will be capped by the correction in sterling after registering a fresh six-month high at 1.2444. As it is, investors will shift focus towards the inflation data due today as well as BOE MPC meeting scheduled tomorrow.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4180	5.4266	5.4364	5.4679	5.4890

AUD/MYR

AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 1.12% higher at 3.0297 and like other pairs, retreated to 3.0048 at the point of writing on Ringgit strength. We also note that AUD has weakened against all major and regional peers this morning. We are neutral to slightly bullish on this pair purely because of the higher opening.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9569	2.9804	3.0048	3.0130	3.0219

Source: Bloomberg, HLBB Global Markets Research

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