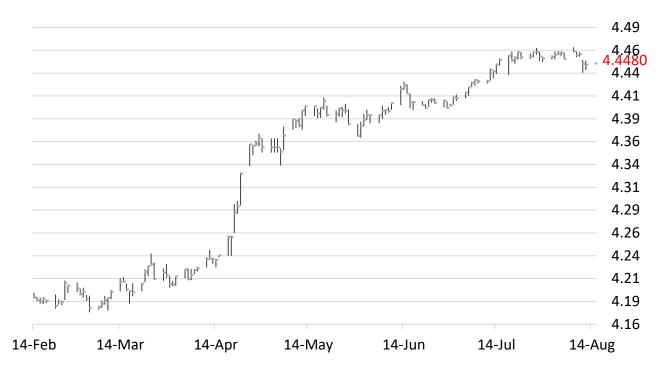


15 August 2022

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts - MYR Neutral

USD/MYR opened little changed at 4.4455. USD/MYR continues to range-trade after having shifted lower to 4.4400 handle last week and was unfazed by Malaysia's better than expected 2Q22 GDP growth. Cautious sentiment at the start of a new trading week should constrain the pair within 4.4400-4.4550. In the week ahead, a slightly bearish USD outlook coupled with firm growth prospects in the Malaysian economy are expected to be supportive of the MYR in our view. Malaysia July exports due for release on 19-August will likely show another hefty double-digit print.

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	4.4200	4.4300	4.4480	4.4500	4.4650



MYR Crosses

SGD/MYR



SGD/MYR Neutral

SGD/MYR opened little changed at 3.2415. We maintain the view that upsides are capped at 3.2500 as the softer USD outlook this week should support both SGD and MYR. In the medium term, increasing external headwinds are expected to dampen Singapore's growth prospect going forward and will likely limit policy space.

То	S2	S1	Indicative	R1	R2
SGD/MYR	3.2200	3.2350	3.2435	3.2500	3.2600

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.45% lower at 5.3892, in response to the weaker sterling last Friday amid a dollar correction. The attention is on the UK monthly job data due tomorrow. In the week ahead, we are neutral on GBP/MYR given our slightly bullish outlook for both components, taking cue from the prospects of a softer USD and positive build-up in momentum indicator. Other key data are retail sales and CPI inflation.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.3540	5.3867	5.3939	5.4400	5.4700

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened little changed at 3.1621 as AUD/USD pulled back from a two-month peak amid a USD rebound. We are neutral on AUD/MYR for now ahead of the release of the RBA and Fed minutes this week. Key Australian data are the monthly job indicators.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1285	3.1500	3.1665	3.1750	3.1900

Source: Bloomberg, HLBB Global Markets Research



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