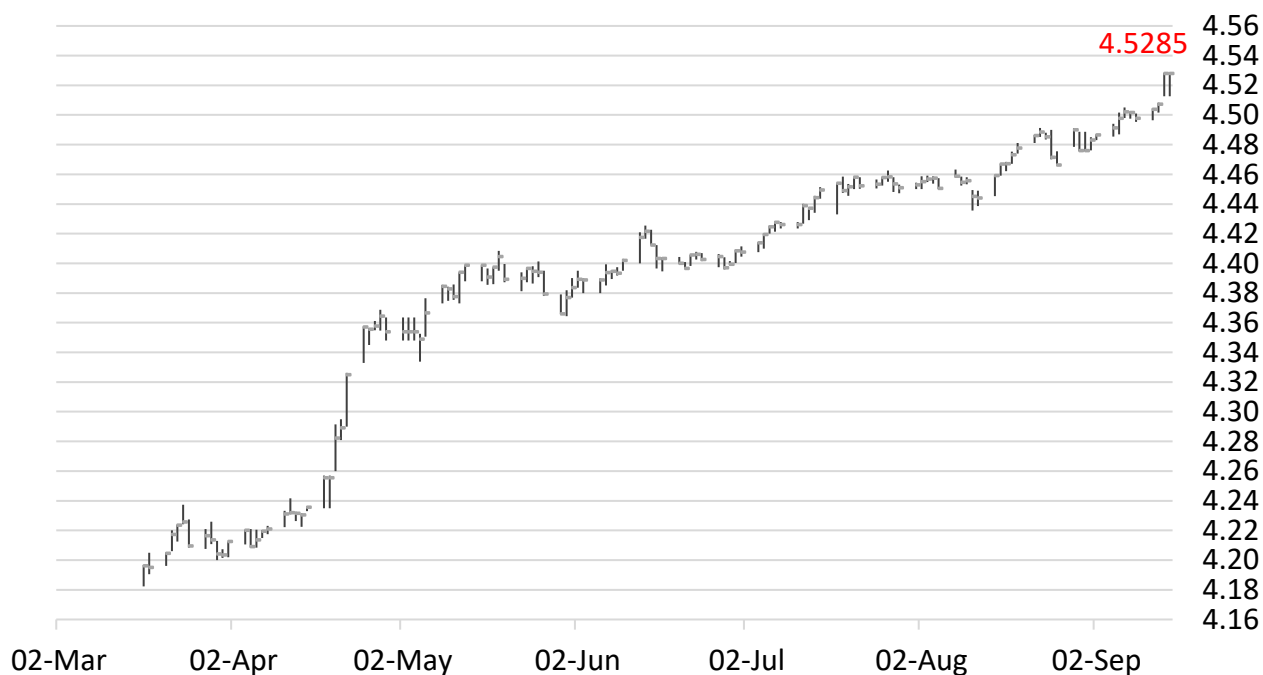


15 September 2022

## Global Markets Research

### Daily Currency Outlook

#### USD/MYR



Source: Bloomberg, HLBB Global Markets Research

#### Intraday Thoughts – MYR Neutral

USD/MYR opened little changed (-0.02%) at 4.5273 this morning and has been trading around this level since. We expect some consolidation in the pair after yesterday's rally to a 24-year high at 4.5280, but overall USD strength and cautiousness ahead of the long weekend (Malaysia Day's public holiday tomorrow), are expected to keep the pair in a bullish bias.

#### 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, expectation for a 100bps Fed rate hike is gaining traction 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 | 4.4980 | 4.5080 | 4.5285     | 4.5300 | 4.5500 |

## MYR Crosses

### SGD/MYR



### SGD/MYR Neutral

SGD/MYR opened lower by 0.13% at 3.2214 and rangetraded near this level. Daily outlook is neutral in anticipation of some consolidation in both the MYR and SGD. 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. NODX tomorrow

| To      | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| SGD/MYR | 3.2000 | 3.2090 | 3.2209     | 3.2335 | 3.2430 |

### GBP/MYR



### GBP/MYR Neutral to Slightly Bearish

GBP/MYR opened slightly higher by 0.07% at 5.2276 and is expected to trade on a slightly bearish bias today on the back of potential GBP weakness. Inflation data out of the UK yesterday was a tad softer, posing little pressure on quicker BOE rate hikes, and would continue to keep a lid on the sterling. UK retail sales is due tomorrow but USD will remain the primary driver in the FX space in our view.

|         | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| GBP/MYR | 5.1736 | 5.1972 | 5.2209     | 5.2510 | 5.2654 |

### AUD/MYR



### AUD/MYR Neutral to Slightly Bullish

AUD/MYR opened 0.24% higher at 3.0575 and is expected to edge higher today supported by a firm Aussie, which takes little heed thus far from subdued Australian job data. The labour market added 33.5k jobs in August vs layoffs in July while jobless rate edged 0.1ppt higher to 3.5%. The pair will next take cue from first tier China data due tomorrow.

|         | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| AUD/MYR | 3.0100 | 3.0276 | 3.0557     | 3.0682 | 3.0830 |

Source: Bloomberg, HLBB Global Markets Research

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