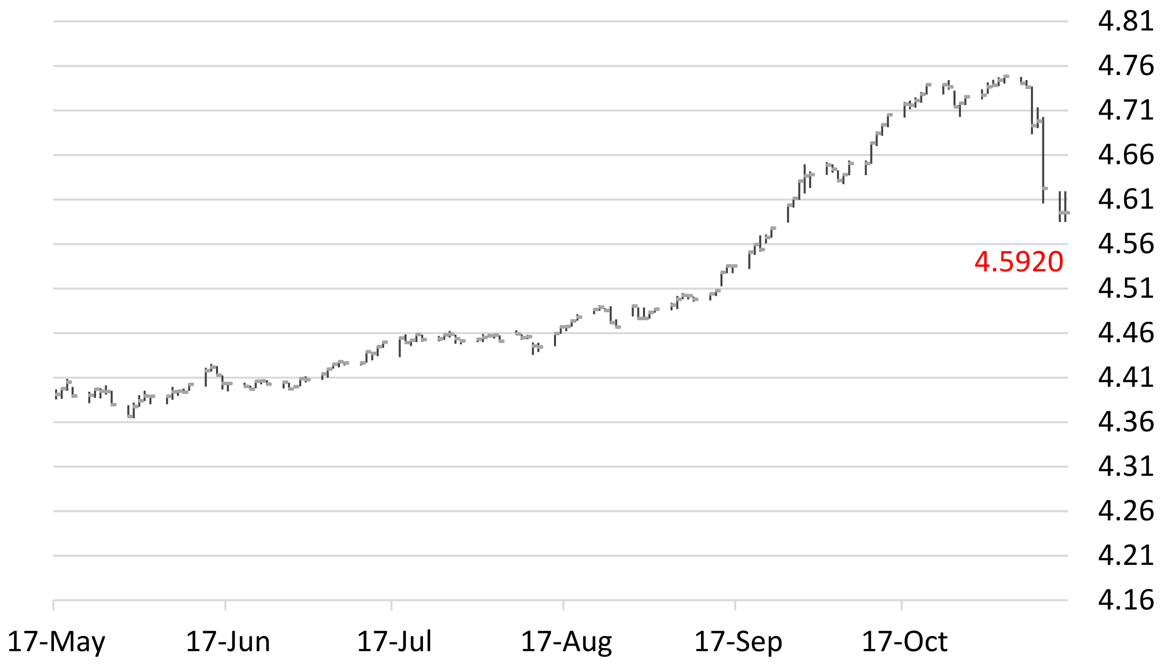
15 November 2022

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – USD/MYR Neutral to Slightly Bearish

USD/MYR opened flat at 4.5948, fell to its low of 4.5900 before retracing to 4.5920 at the point of writing. While the Dollar Index has held steady at the 106 handle, MYR strengthened 0.6% d/d vis-à-vis the greenback overnight, breaking three key levels to print a sharp 3.0% gain within a week (last Monday's close of 4.7400). As such, we are Neutral to Slightly Bearish on this pair as the sharp down move recently has significantly dented the bulls and ushered in the bears.

1-Month Outlook – USD/MYR Neutral-to-Bullish

MYR is tilted to the bearish side 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. At its latest FOMC meeting, the Fed suggested slower pace of rate hike going forward after three consecutive 75bps hike, but Fed Chair Powell guided for higher than previously projected terminal rate. This dampened hope of a policy pivot and lifted expectations that the Fed funds rate could potentially be raised to as high as 6.00% over the next year. This shall keep the USD biddish, suppressing emerging currencies as the yield gap with the US widens.

	S2	S1	Indicative	R1	R2
USD/MYR	4.5575	4.5800	4.5920	4.6500	4.6900

MYR Crosses

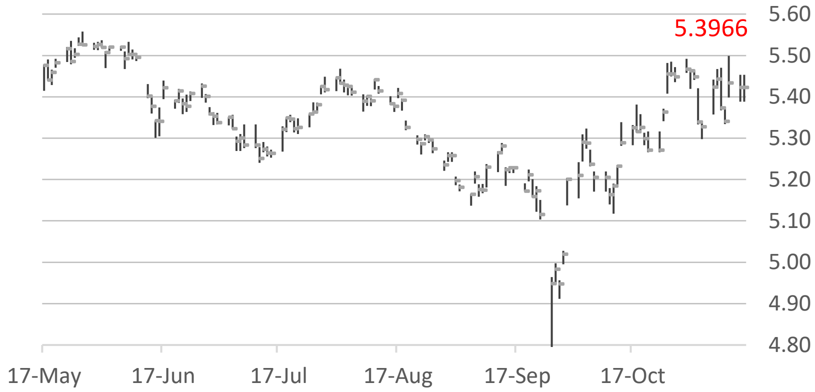
SGD/MYR

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.3159	3.3361	3.3477	3.3847	3.4000

SGD/MYR Neutral to Slightly Bullish

SGD/MYR opened slightly higher by 0.16% at 3.3472 and has held steady at 3.3477 at the point of writing. Daily outlook is neutral to slightly bullish on the back of higher opening. SGD has also stayed resilient vis-à-vis most G10 currencies.

GBP/MYR



	S2	S1	Indicative	R1	R2
GBP/MYR	5.2605	5.3096	5.3966	5.4899	5.5016

GBP/MYR Bearish

GBP/MYR opened lower by 0.41% at 5.4002 and dipped further to 5.3966 at the point of writing. We are bearish on this pair given the lower opening, a strong MYR and the weak sterling vis-à-vis USD overnight. Sterling is also expected to stay under pressure ahead of British Chancellor Jeremy Hunt's statement on Thursday, when he is expected to set out tax rises and spending cuts.

AUD/MYR

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9666	2.9889	3.0739	3.1000	3.1076

Source: Bloomberg, HLBB Global Markets Research

AUD/MYR Neutral to Slightly Bullish

AUD/MYR opened 0.22% higher at 3.0759 but has since retreated slightly to 3.0739 at the point of writing. We are neutral to slightly bullish on this pair but gains maybe capped as the risk-sensitive Aussie may slip against the USD.

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