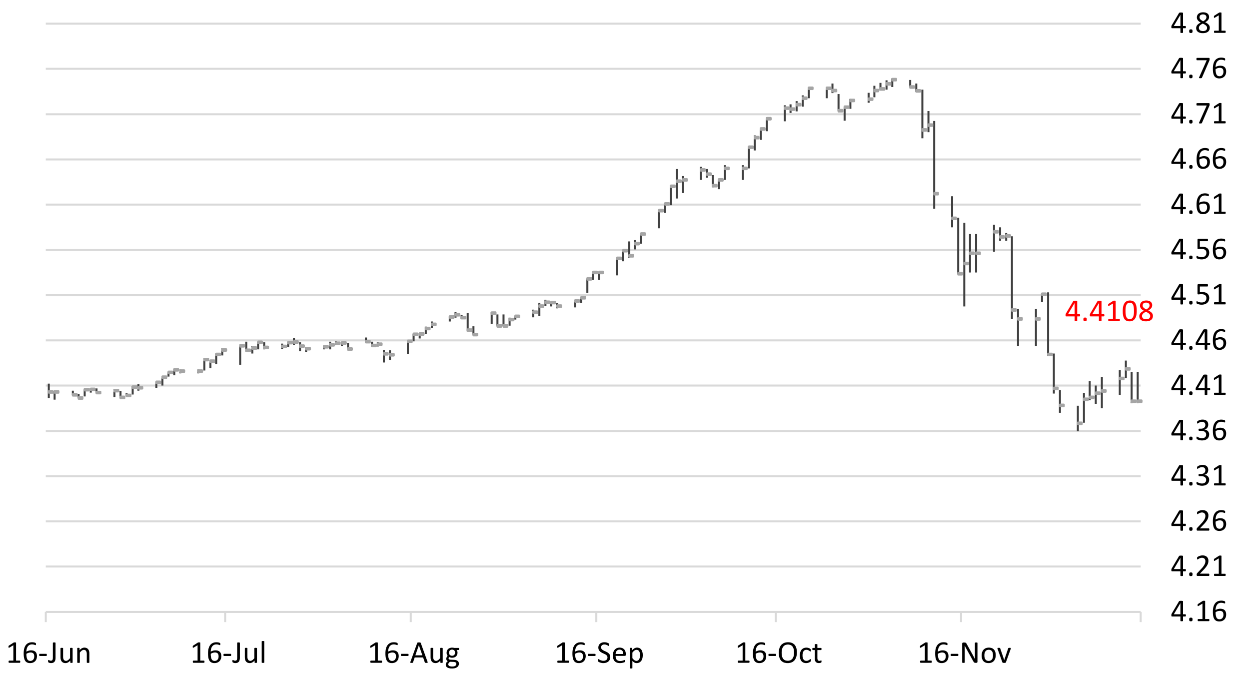
15 December 2022

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

USD/MYR opened 0.05% lower at 4.3903 but rebounded to above its previous close at 4.4108 at the point of writing. Daily outlook is neutral-to-slightly bullish on account the higher trajectory post opening and a weak MYR vis-à-vis G10 and regional currencies this morning. We believe any gain on this pair will, nevertheless, be capped, as seen by the pullback in greenback to 103.77, down about 0.2% d/d from its intraday high of 104.16 post the FOMC announcement. Key data to look out for tonight will be US retail sales, jobless claims as well as IPI.

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	4.3797	4.3932	4.4108	4.4193	4.4393

MYR Crosses

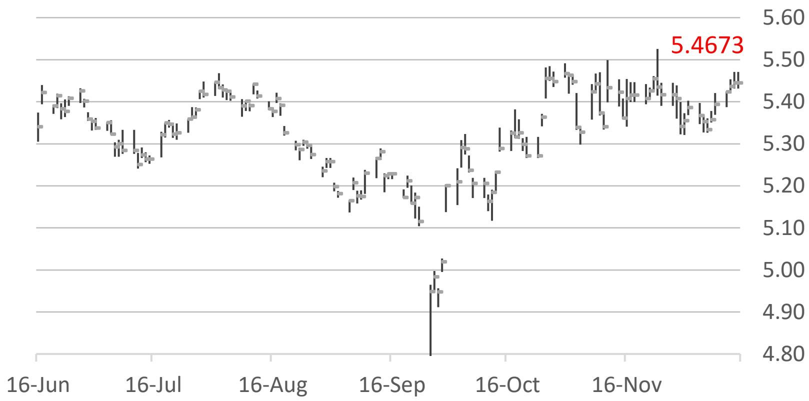
SGD/MYR

SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.13% lower at 3.2589 and mirroring USD, retraced to 3.2681 at the point of writing. This is a shade higher than prior day's close. Coupled with a weak MYR this morning, we are, thus, neutral-to-slightly bullish on this pair. NODX data is due to be released on Friday and expectations is that exports will worsen further from the 5.6% decline previously.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.2605	3.2641	3.2681	3.2749	3.2788

GBP/MYR



GBP/MYR Slightly Bullish

GBP/MYR opened 0.19% higher at 5.4549 and has since inched up to 5.4673 at the point of writing. Daily outlook is slightly bullish given a firm GBP/USD at the 1.2420-30 level, despite fears of a recession in the UK. Supporting sterling is also expectations of further rate hike at the Bank of England (BOE) meeting this afternoon.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4344	5.4476	5.4673	5.4821	5.5055

AUD/MYR

AUD/MYR Neutral

AUD/MYR opened 0.19% lower at 3.0119 but has since edged up to 3.0170 at the point of writing, close to the previous day's close. Daily outlook is neutral on account of the weak MYR as well as higher trajectory post opening, supported by better-than-expected numbers but gains will be capped by weaker-than-expected Chinese indicators released this morning.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9920	3.0027	3.0170	3.0288	3.0458

Source: Bloomberg, HLBB Global Markets Research

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