

19 September 2022

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

**Intraday Thoughts – MYR Neutral to Slightly Bearish**

USD/MYR opened slightly lower (-0.05%) at 4.5330 this morning but erased all losses and spiked higher to 4.5437 levels at time of writing. Prevailing market risk aversion has led to broad losses in Asian equities this morning and would serve as a dampener in the Asia FX space as well. We are bearish on MYR today amid risk-off sentiments as investors stay cautious ahead of the upcoming FOMC meeting on 22-September where a 75bps hike appears like a done deal.

**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	4.5089	4.5275	4.5437	4.5450	4.5500

## MYR Crosses

### SGD/MYR



### SGD/MYR Bullish

SGD/MYR opened higher by 0.24% at 3.2255, hitting a low of 3.2222 but has since bounced higher to 3.2296 at time of writing. Daily outlook is bullish on the back of MYR weakness while USD/SGD is seen trading steadily at 1.4072 levels currently. 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.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.2000	3.2176	3.2296	3.2354	3.2430

### GBP/MYR



### GBP/MYR Neutral to Slightly Bullish

GBP/MYR opened 0.07% higher at 5.1874 and is expected to trade on a neutral to slightly bullish note today on the back of potential weaknesses in both the sterling and MYR. UK retail sales turned out weaker than expected, and would keep any BOE hikes at measured pace, hence our view for a 50bps hike this week. Weaker UK fundamentals coupled with a less aggressive BOE will be GBP bearish, curbing upside in GBP/MYR.

To	S2	S1	Indicative	R1	R2
GBP/MYR	5.1497	5.1633	5.1885	5.2051	5.2245

### AUD/MYR



### AUD/MYR Bullish

AUD/MYR opened 0.76% higher at 3.0505 and was seen ranging within 100pips between 3.0465 and 3.0557 since. Daily outlook is bullish following the higher opening but the pair may narrow gains amid some weaknesses in AUD/USD in a risk averse market. AUD/USD is threading near the 0.67 key support level and a break would spell further downside for the pair.

To	S2	S1	Indicative	R1	R2
AUD/MYR	3.0296	3.0400	3.0505	3.0672	3.0830

Source: Bloomberg, HLBB Global Markets Research

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