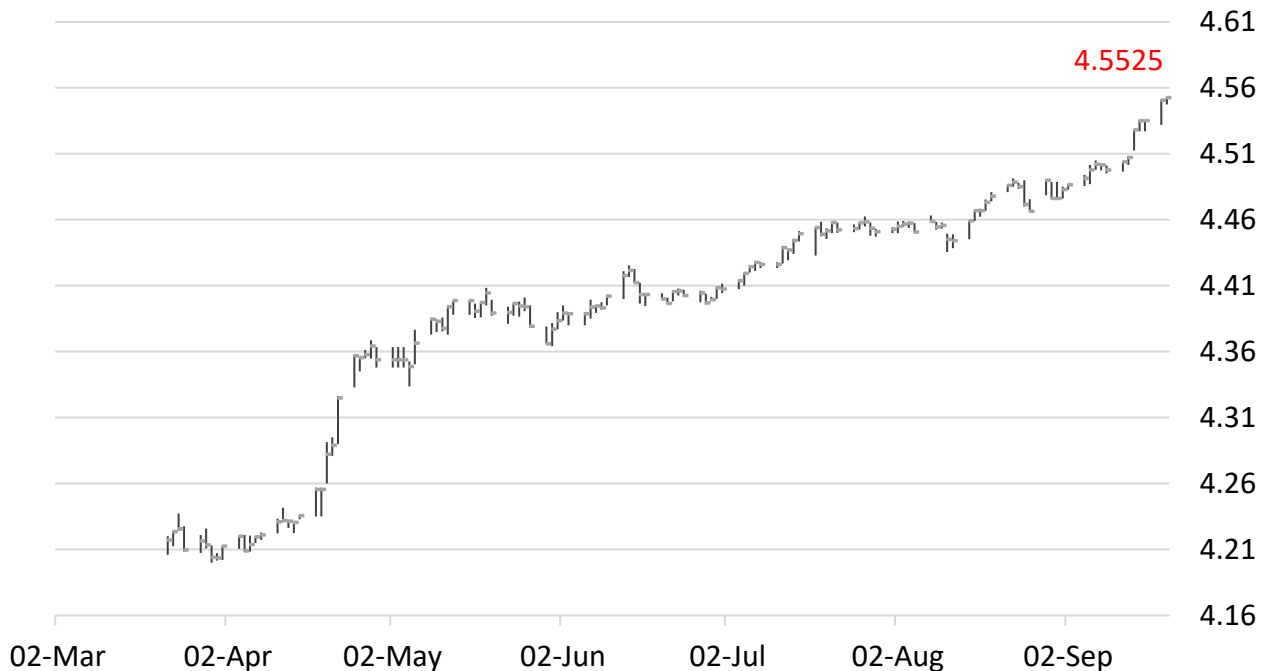


20 September 2022

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral to Slightly Bearish

USD/MYR opened 0.06% lower at 4.5477 this morning but failed to stay below the 4.50 key level, which we mentioned before to be a bullish signal for the pair. USD/ MYR was seen trading at 4.5525 at time of writing. We expect the pair to stay on a neutral to slightly bullish bias today but potential consolidation after yesterday’s rally and further weakness in the greenback could limit its upside for now. In addition, we expect investors to stay on the sideline as the FOMC meeting approaches.

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 | 4.5525 | 4.5550 | 4.5600 |

MYR Crosses

SGD/MYR



SGD/MYR Slightly Bullish

SGD/MYR opened 0.24% higher at 3.2331, and continued to hover around this level since. Daily outlook is slightly bullish on the back of MYR weakness while USD/SGD is seen holding steady. 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 | 3.2340 | 3.2430 | 3.2500 |

GBP/MYR



GBP/MYR Slightly Bullish

GBP/MYR opened 0.72% higher at 5.2085. It attempted a high of 5.2134 but lost steam to 5.20 levels at time of writing. The pair remains slightly bullish today on the back of prevailing MYR weakness and following the higher opening. That said, 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 | 5.1633 | 5.1721 | 5.2013 | 5.2245 | 5.2487 |

AUD/MYR



AUD/MYR Slightly Bullish

AUD/MYR opened 0.85% higher at 3.0635 but was seen retreating somewhat, to 3.0595 at time of writing as the Aussie was dampened by a less hawkish RBA minutes saying interest rates are getting closer to "normal settings". The PBoC also kept its loan prime rates unchanged this morning, raising concerns of a bigger economic fallout in China, hence dampening the Aussie.

| To | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| AUD/MYR | 3.0296 | 3.0400 | 3.0595 | 3.0672 | 3.0830 |

Source: Bloomberg, HLBB Global Markets Research

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