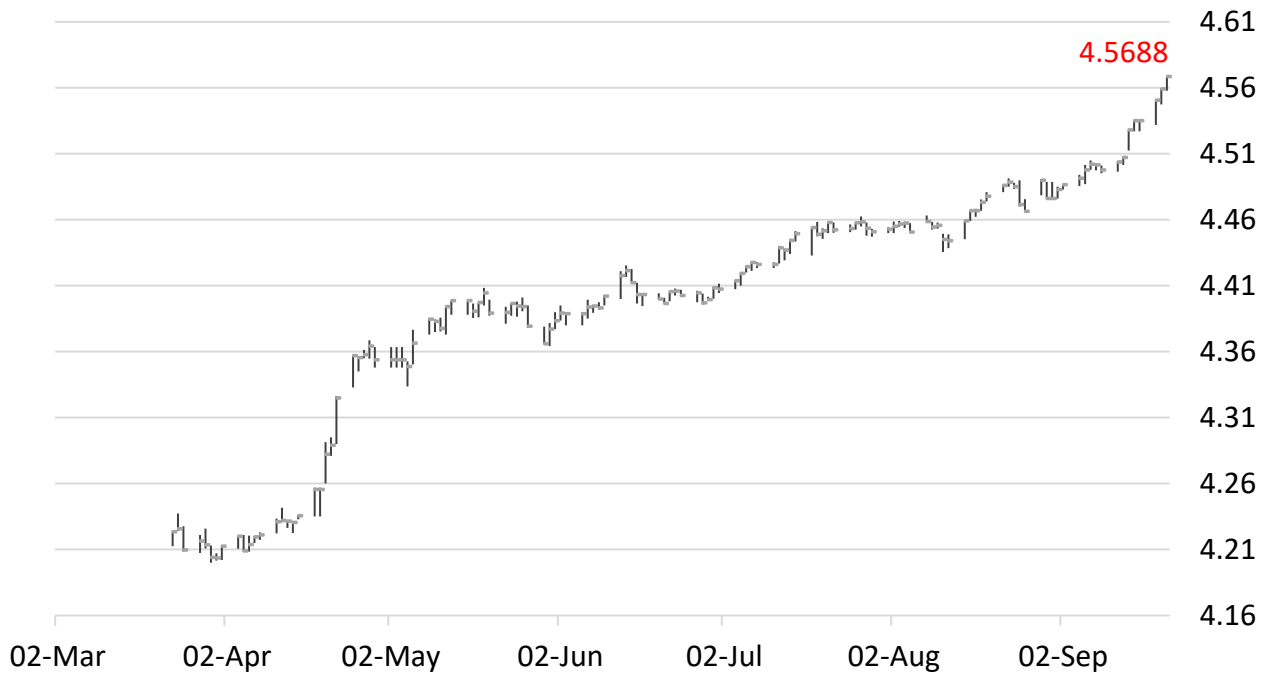


21 September 2022

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Slightly Bearish

USD/MYR opened little changed at 4.5583 this morning and continued to march higher, trading at 4.5688 at time of writing. Overall market jitters and risk aversion ahead of FOMC announcement at 2am Malaysian time tomorrow shall see MYR remaining under pressure in today’s trading. The pair continues to test higher grounds and we eye 4.60 as the next major resistance.

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 | 4.5345 | 4.5500 | 4.5688 | 4.5800 | 4.6000 |

MYR Crosses

SGD/MYR



SGD/MYR Slightly Bullish

SGD/MYR opened little changed (-0.03%) at 3.2329, and has since edged higher. Daily outlook is slightly bullish on the back of MYR weakness while USD/SGD is seen holding steady around the 1.41 region. 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 | 3.2176 | 3.2204 | 3.2374 | 3.2413 | 3.2500 |

GBP/MYR



GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.46% lower at 5.1873 and was seen inching higher. Daily outlook is neutral to slightly bullish today on the back of prevailing MYR weakness while GBP/USD appeared to have stabilized somewhat around 1.1380 regions after yesterday's selloff. That said, weaker UK fundamentals coupled with a less aggressive BOE will be GBP bearish, curbing upside in GBP/MYR. BOE will be the next key event risk after FOMC announcement.

| To | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| GBP/MYR | 5.1488 | 5.1653 | 5.1990 | 5.2284 | 5.2614 |

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.06% lower at 3.0512 and hovered around this level at time of writing. Daily outlook is neutral on the back of weaknesses in both the MYR and AUD. AUD/USD continued to trade around 0.66s after the break below 0.67. A less hawkish RBA minutes saying interest rates are getting closer to "normal settings" hinting at an eventual pause are expected to curb upside in the Aussie over the medium term.

| To | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| AUD/MYR | 3.0210 | 3.0330 | 3.0521 | 3.0648 | 3.0716 |

Source: Bloomberg, HLBB Global Markets Research

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