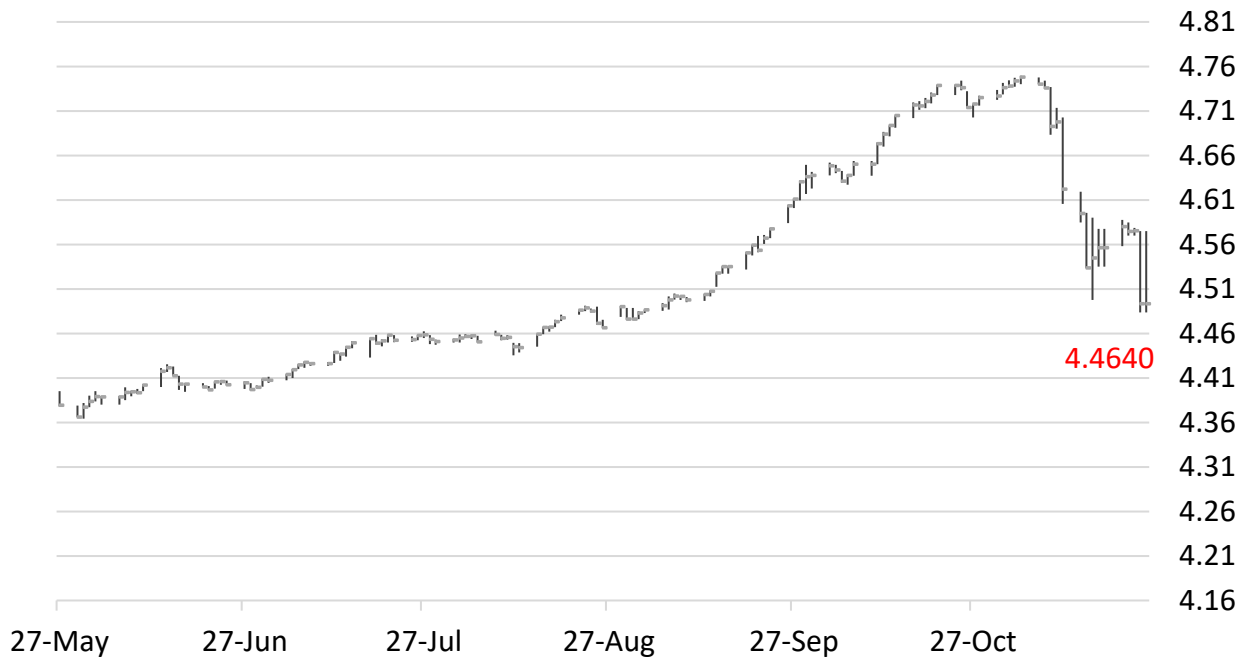


25 November 2022

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Bearish

USD/MYR opened slightly higher by 0.03% at 4.4948 and dipped lower to 4.4640 at the point of writing. Daily outlook is bearish given a weak greenback. The Dollar Index has broken below the 106-handle as Federal Reserve said they expect to switch to smaller rate hikes “soon,” according to latest FOMC minutes. As the US is closed for Thanksgiving holiday and will close early on Friday, there will be no release of economic data that is expected to sway this trend. Ringgit has also strengthened against G10 and regional currencies, supported by the end of the political gridlock that has weighed on markets as well as the currency.

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

MYR is expected to see some renewed weakness once consolidation in the USD dissipates and the pre-GE15 rally subsides. The USD came under pressure after softer than expected October US CPI, followed by PPI, spurred expectations the Fed would be slowing its pace of rate increases although subsequent Fed speaks reaffirmed the case of further policy tightening ahead with terminal rate in the 5.00% handle. Prospect of widening yield differential between the Fed fund rates and OPR is still expected to keep the pair in an overall bullish bias. Fed speaks have remained hawkish and the upside surprises in US retail sales data signaled resiliency in the US economy still.

	S2	S1	Indicative	R1	R2
USD/MYR	4.4235	4.4500	4.4640	4.5000	4.5385

MYR Crosses

SGD/MYR

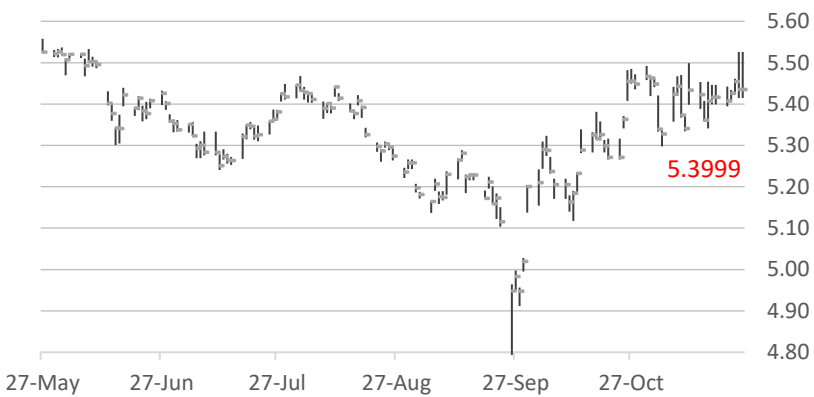


SGD/MYR Bearish

SGD/MYR opened 0.12% lower at 3.2676 and has trended to 3.2462 at the point of writing. Daily outlook is bearish given expectations of Ringgit strength today as well as the lower opening. Key data will be the release of Malaysia CPI numbers at noon today.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.2000	3.2336	3.2464	3.2995	3.3305

GBP/MYR



GBP/MYR Slightly Bearish

GBP/MYR opened 0.17% higher at 5.4436 but has since retreated to 5.3999 at the point of writing. As with the other pairs, Ringgit will benefit from the political clarity. However, gains could be capped by a strong sterling, which broke above \$1.20 vis-à-vis greenback overnight.

To	S2	S1	Indicative	R1	R2
GBP/MYR	5.2723	5.3349	5.3999	5.4526	5.4896

AUD/MYR



AUD/MYR Slightly Bearish

AUD/MYR opened 0.37% higher at 3.0409 but retreated to 3.0144. Daily outlook is slightly bearish given the fall post-opening as well as Ringgit strength. Any gains will be capped by the fact that AUD has benefitted from investors switching to risky assets post-FOMC minutes.

To	S2	S1	Indicative	R1	R2
AUD/MYR	2.9612	3.0017	3.0144	3.0540	3.0818

Source: Bloomberg, HLBB Global Markets Research

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