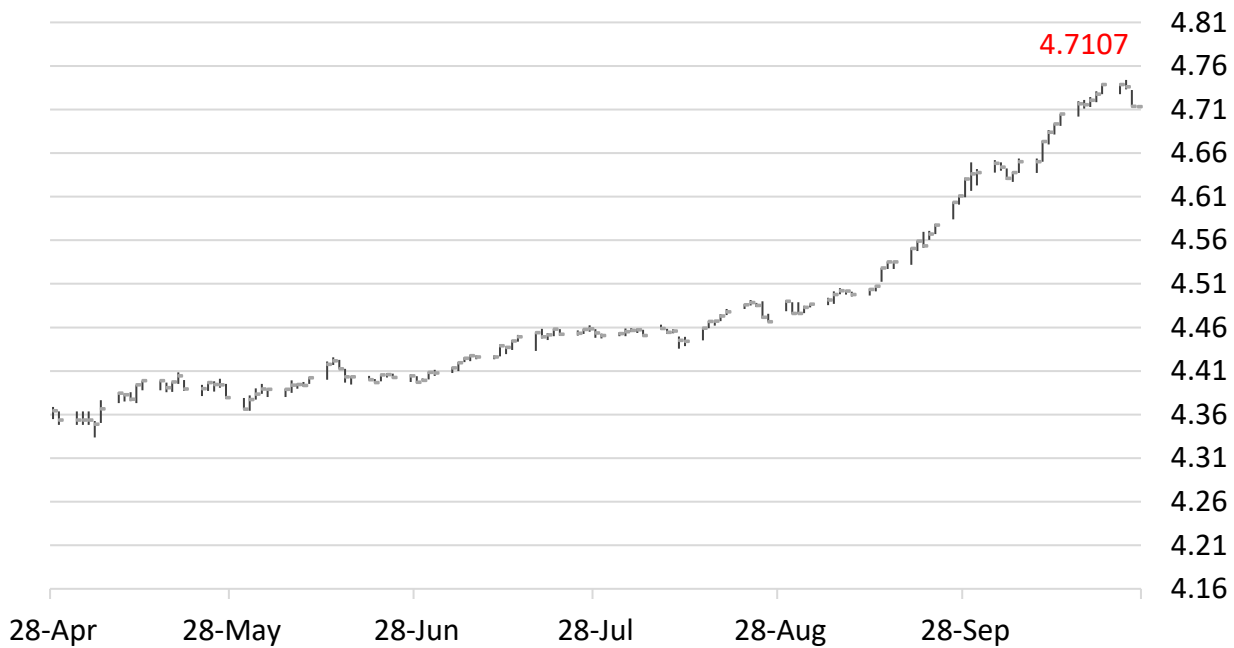


27 October 2022

## Global Markets Research

### Daily Currency Outlook

#### USD/MYR



Source: Bloomberg, HLBB Global Markets Research

#### Intraday Thoughts – MYR Slightly Bullish

USD/MYR opened flat at 4.7135, and traded lower to 4.7107 at time of writing. Yesterday's sharp correction pushing the pair down two big figures from 4.73 to 4.71 has severely dented USD/ MYR bulls. MACD has turned negative for the first time in nearly 2.5 months and overbought condition has pared back significantly to near neutral, after staying massively overbought since mid-September. This, coupled with renewed USD weakness, shall shield the pair from 4.75 for now. We expect USD/ MYR to nudge towards 4.70 and even break below this level next week but USD/ MYR outlook remains bullish overall unless it closes below 4.63-4.65.

#### 1-Month Outlook – MYR Neutral-to-Bearish

MYR is tilted to the bearish side 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. The Fed has guided for another 125bps hike for the remaining of the year, hence likelihood of a 75bps hike in November followed by a 50bps hike in December, bringing the Fed funds rate to 4.25-4.50% by end-2022. In addition, the Fed also projected a higher terminal rate of 4.6% by next year, substantially higher than the prior 3.8%. Recent Fed speaks further highlighted that it would remain appropriate for rates to reach as higher as 5.0%. This shall keep the USD bullish, suppressing emerging currencies as the yield gap with the US widens. That said, we caution against an earlier than expected Fed policy pivot which could dampen USD outlook.

	S2	S1	Indicative	R1	R2
USD/MYR	4.6520	4.7000	4.7107	4.7300	4.7500

## MYR Crosses

### SGD/MYR



### SGD/MYR Slightly Bullish

SGD/MYR opened 0.43% higher at 3.3615, but was seen slipping slightly to 3.3578 at time of writing. The pair is expected to trade on a slightly bullish bias today following the higher opening even though both the SGD and MYR are expected to trade firmer against renewed weakness in the USD. The pair broke 3.35 as expected and has room to test higher grounds but near term consolidation in the MYR may slow the climb.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.3100	3.3330	3.3578	3.3600	3.3700

### GBP/MYR



### GBP/MYR Bullish

GBP/MYR opened 0.55% higher at 5.4849 following extended rally in the sterling yesterday. The sterling clocked another over 1.0% gain yesterday to 1.1625. GBP/ MYR outlook is bullish as GBP bulls are expected to outweigh the consolidation in USD/ MYR. The pair is fast approaching 5.50 and a breach will lead the pair towards 5.55 next.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.3731	5.4387	5.4832	5.5349	5.5747

### AUD/MYR



### AUD/MYR Slightly Bullish

AUD/MYR opened 0.35% higher at 3.0613 tracking further advances in the Aussie, almost back to the 0.65 handle. Daily AUD/ MYR outlook is bullish following the higher opening and as the Aussie shows little reaction to the mixed export and import price indices, which indicates higher than expected gains nonetheless. Expectations for policy pivot after BOC's smaller than expected 50bps hike could unnerve markets today and keep a lid on Aussie.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0300	3.0500	3.0607	3.0800	3.0920

Source: Bloomberg, HLBB Global Markets Research

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