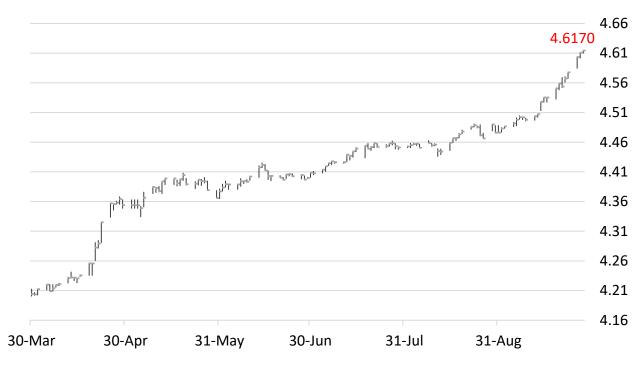


28 September 2022

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts - MYR Bearish

USD/MYR opened 0.03% lower at 4.6095 but has since edged higher, trading at 4.6170 at time of writing and looks set to surpass 4.62s today. The pair remains bullish following consecutive breaks of key resistance levels, the latest being 4.60, and is expected to head towards 4.65 next given unperturbed USD strength, which will more likely than not, amplified by upcoming Fed speaks in the week ahead. USD/ MYR will unlikely defy broad market direction despite increasingly overbought condition.

1-Month Outlook - MYR Neutral-to-Bearish

We are turning 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. 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%. This shall keep the USD biddish, 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	4.5520	4.5680	4.6170	4.6200	4.6500



MYR Crosses

SGD/MYR



SGD/MYR Bearish

SGD/MYR opened 0.22% lower at 3.2048, and was seen retreating further to 3.1989 at time of writing, tracking a weaker SGD this morning. The pair has broken the 3.20 key support and a close below it today could reinstate the bear, with 3.18 serving as the next key level before 3.15. Upside is capped by 3.23 for now.

То	S2	S1	Indicative	R1	R2
SGD/MYR	3.1869	3.1924	3.1989	3.2137	3.2200

GBP/MYR



GBP/MYR Bearish

GBP/MYR opened 0.75% lower at 4.9453 and continued to extend its leg lower. Daily outlook is bearish following sharply lower opening and renewed weaknesses in the GBP/ USD. While the sterling may consolidate from recent selloffs, the stern bearishness in the sterling heading towards parity with the greenback suggests potential downside for GBP/ MYR, with 4.80 levels as the next target over the more medium term.

	S2	S1	Indicative	R1	R2
GBP/MYR	4.7630	4.8000	4.9283	5.0000	5.1100

AUD/MYR



AUD/MYR Bearish

AUD/MYR opened 0.68% lower at 2.9663 and pulled back further to 2.9566 amid a weaker Aussie heading towards the 0.64 levels. AUD/ MYR has broken below 2.98, and is currently trading in the 2.95 levels. Prevailing bearishness in the pair could lead the pair towards 2.93s, back to levels last seen in January.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9310	2.9500	2.9566	3.0000	3.0137

Source: Bloomberg, HLBB Global Markets Research



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