

1 March 2023

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

USD/MYR opened 0.05% lower at 4.4850 before bouncing to 4.4955 at the point of writing. Daily outlook is neutral-to-slightly bullish given that DXY regained upside momentum in the last hour overnight to end February on a firmer footing, by marking the first monthly gain in five. MYR also weakened against most of the regional and G10 currencies on prospects than BNM may extend its OPR pause in its next MPC meeting on March 9th.

1-Month Outlook – USD/MYR Neutral

USD/MYR outlook is neutral. US data largely surprised on the upside and the outsized January nonfarm job gains coupled with the higher-than-expected core-PCE prices have spurred rate hike bets, with odds of a 50bps Fed rate hike back in investors' radar. This was further reinforced by two Fed Presidents who said they were considering 50bps hike to battle inflation. We have tweaked our house view for three more 25bps hike to 5.25-5.50% in the next three upcoming FOMC meeting. This, coupled with telltale signs of a soft landing in the US economy, and that a recession could potentially be delayed or averted, shall continue to support the greenback. On the domestic front, the revised smaller budget deficit is mildly positive for the MYR. The decent growth outlook aside, potential upside risk to inflation shall support the case for further OPR hike by BNM, which would in turn augur well with MYR bulls, hence cushioning pressure from a strong USD.

	S2	S1	Indicative	R1	R2
USD/MYR	4.4612	4.4782	4.4955	4.4995	4.5040

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3484, spiked to 1.3499 before retreating slightly to 1.3483 at the point of writing. Daily outlook is neutral with Singapore's PMI and retail sales data in focus this week for direction on the economy as well as MAS policy. PMI is expected to edge down slightly to 49.7 while growth for the latter is expected to slow to +4.9%.

To	S2	S1	Indicative	R1	R2
USD/SGD	1.3430	1.3458	1.3483	1.3516	1.3544

MYR Crosses

SGD/MYR



SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.04% higher at 3.3278 and strengthened to 3.3314 at the point of writing. Daily outlook is neutral-to slightly bullish given that MYR has mostly weakened vis-à-vis its regional peers in the past day, and there appears to be little catalyst to reverse the underlying trend at this juncture.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.3222	3.3261	3.3314	3.3334	3.3372

GBP/MYR



GBP/MYR Neutral-Slightly Bearish

GBP/MYR opened 0.38% lower at 5.3987 but retraced to 5.4004 at the point of writing. Daily outlook is neutral-to-slightly bearish as investors will stay cautious ahead of the dockets of UK economic data to be released. This includes the manufacturing PMI, mortgage approvals and Nationwide house prices.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.3531	5.3776	5.4004	5.4129	5.4258

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.15% higher at 3.0202, dipped to 3.0092 before retracing to 3.0221 at the point of writing. Daily outlook is neutral given that AUD has shrugged off the weaker than expected 4Q GDP data of +0.5% this morning in lieu of the better than expected PMI indicators from China.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9962	3.0197	3.0221	3.0432	3.0667

Source: Bloomberg, HLBB Global Markets Research

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