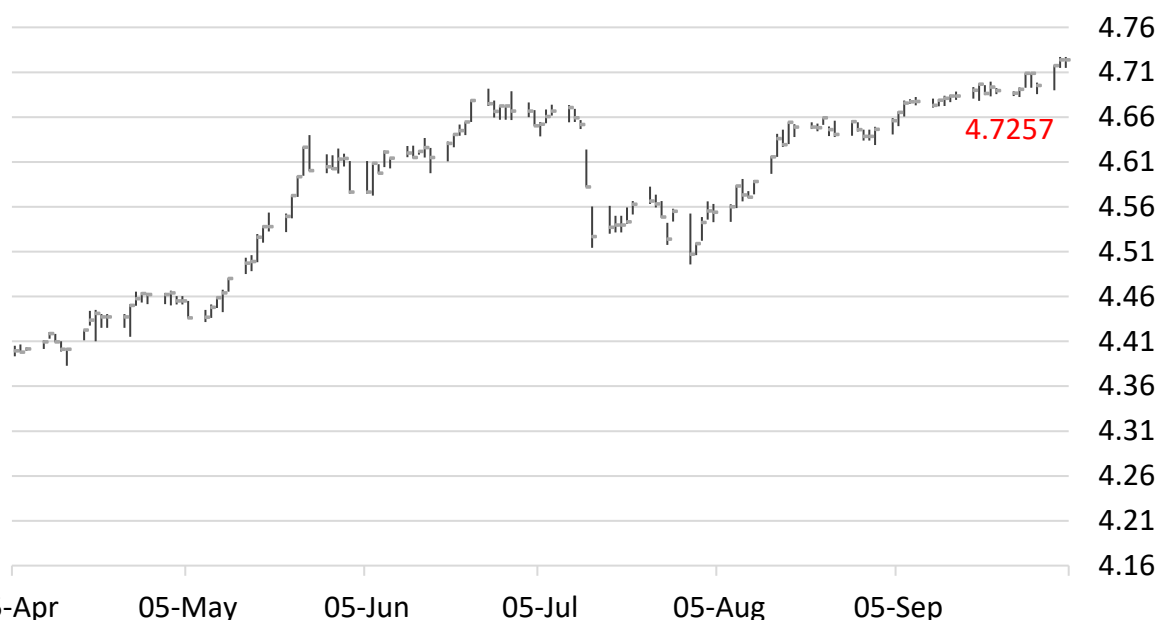


4 October 2023

## Global Markets Research

### Daily Currency Outlook

#### USD/MYR



Source: Bloomberg, HLBB Global Markets Research

#### Intraday Thoughts – Neutral-to-Slightly Bullish

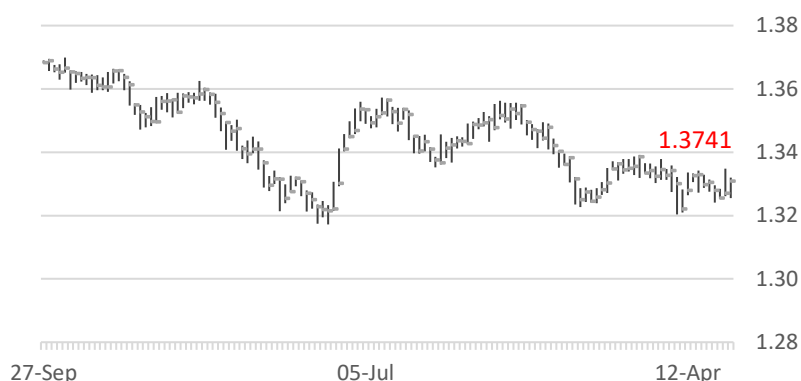
USD/MYR opened 0.05% lower at 4.7215 but rebounded to 4.7257 at the point of writing. Higher-for-longer wagers continued to drive UST yields to its multi-year highs and strengthened the greenback, thus our view for a neutral-to-slightly bullish outlook for USD/ MYR today. The Dollar Index held firmly above the 107-handle, trading at 107.01 at the point of writing after the US JOLTS job data overnight beat all estimates. Nonetheless, we will be closely watching out for the ADP Employment Change as well as Challenger job cuts data for any shift in direction. The ISM-Services index is also on deck tonight.

#### 1-Month Outlook – USD/MYR Neutral

The USD/MYR 1-month outlook is neutral despite the Fed dot plot points to one more 25bps Fed hike this year, while expectations for any rate cut are being pushed back to 2H2024. In fact, the latest Fed dot plot showed the median forecast for end-2023, 2024 and 2025 fed funds rate at 5.6%, 5.1% and 3.9% respectively (June: 5.6%, 4.6% and 3.4%). The 50bps upward revision for 2024 and 2025 was attributable to expectations for a more solid expansion in economic activities and continuous improvement in the labour market. On the domestic front, BNM dropped the “slightly accommodative” phrase in its latest MPC statement, highlighting that the prevailing OPR level is consistent with the current assessment of the inflation and growth outlook. This reaffirmed our view for an extended pause in the OPR at 3.00% for the rest of the year and will cap MYR strength.

	S2	S1	Indicative	R1	R2
USD/MYR	4.7099	4.7169	4.7257	4.7289	4.7339

## USD/SGD



### USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.3731 and strengthened to 1.3741 at the point of writing. Similar to USD/ MYR, this pair will be USD driven, and shows a neutral-to-slightly bullish outlook with gains capped at 1.3756 (R1) and 1.3781 (R2). On top economic data, we will also be watching out for developments on the political front after Kevin McCarthy was ousted as Speaker of the House especially since this could impact the next negotiation phase on the government shutdown.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3697	1.3714	1.3741	1.3756	1.3781

## MYR Crosses

### SGD/MYR



### SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.02% higher at 3.4390, strengthened to 3.4423 before paring some of its gains to trade at 3.4411 at the point of writing. Trading has been rather choppy, but the upbeat Singapore PMIs overnight and this morning are supportive of a neutral-to-slightly bullish outlook for SGD/ MYR today.

5	S2	S1	Indicative	R1	R2
SGD/MYR	3.4280	3.4332	3.4411	3.4425	3.4466

### GBP/MYR



### GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.03% lower at 5.7049 but pared all its losses to trade at 5.7101 at the point of writing. Daily outlook is neutral-to-slightly bullish as MYR weakened against most G10s, with upside eyed at 5.7140 (R1) and 5.7212 (R2) given lack of drivers to GBP strength, especially since its PMIs have disappointed.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6906	5.6987	5.7101	5.7140	5.7212

## AUD/MYR



## AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 0.07% lower at 2.9795 but rebounded slightly to 2.9814 at the point of writing. This is just a shade below previous close. Daily outlook is neutral-to-slightly bearish given AUD broad weakness after the RBA maintained its cash rates unchanged at 4.10%. RBA, nonetheless, flagged concerns over higher fuel prices, thus reiterating their statement that some further tightening of monetary policy may be required.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9629	2.9723	2.9814	2.9989	3.0161

Source: Bloomberg, HLBB Global Markets Research

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