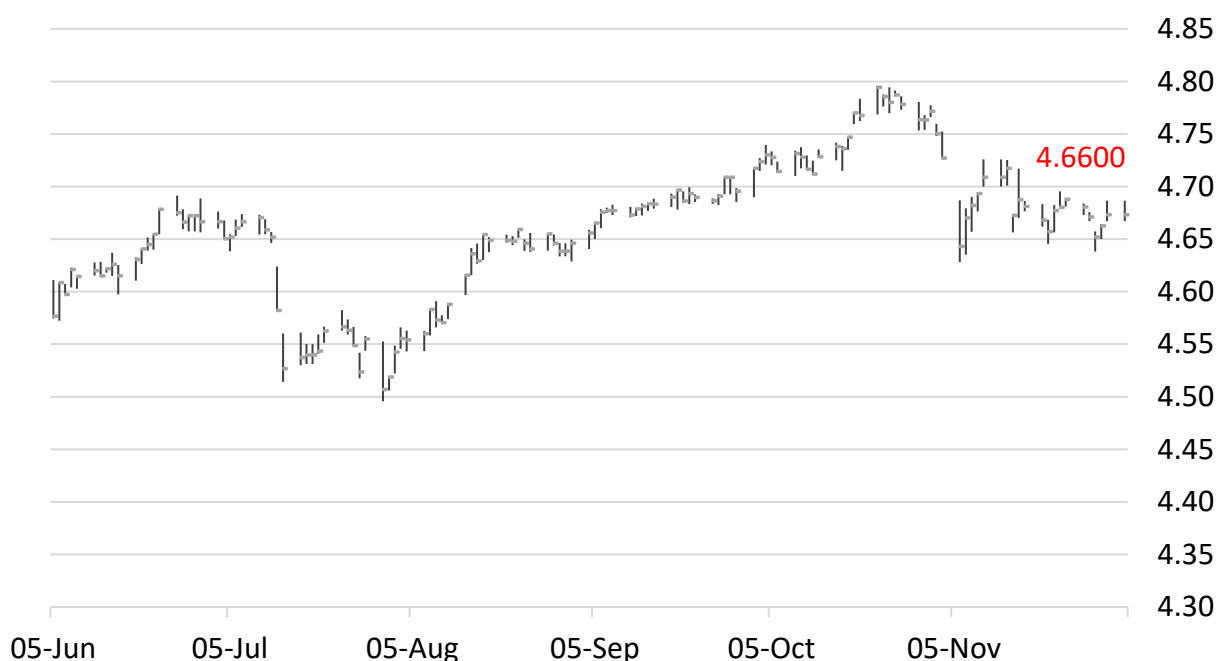


4 December 2023

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Slightly Bearish

USD/MYR opened 0.61% lower at 4.6450 before paring some of its losses to trade at 4.6600 at the point of writing. Daily outlook is slightly bearish as wagers on peaked Fed rate and rate cuts in March 2024 weighed on the USD. On Friday, Fed Chair Jerome Powell delivered a dovish message where he said that the policy rate is “well into restrictive territory” but added that it would be premature to conclude with confidence that we have achieved a sufficiently restrictive stance, pushing UST yields lower across the curve. Next 1st tier data that can significantly shift market’s expectations will be the non-farm payroll data at the end of the week.

1-Month Outlook – USD/MYR Neutral-to-Slightly Bearish

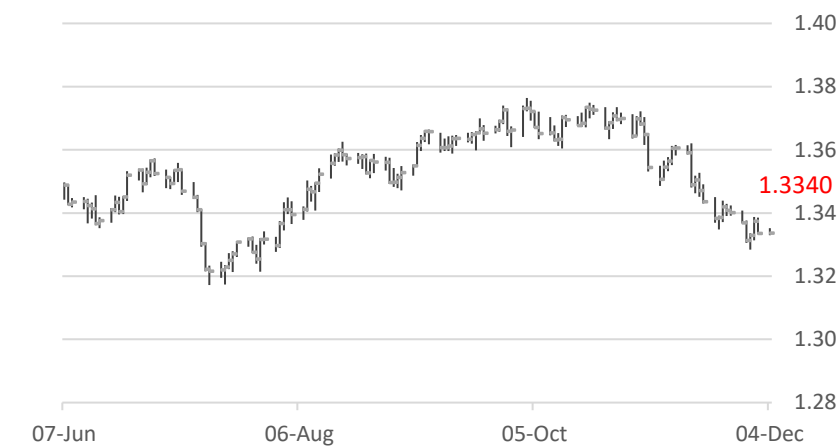
The USD/MYR outlook is neutral-to-slightly bearish in our view, as the USD has recently been more vulnerable as the end of the Fed tightening cycle looks to be upon us and inflation continues to ease. Fed officials also appear to be more comfortable with the current level of policy rates, as reflected in recent dovish Fed speaks. On the data front, indicators continue to point to resilient economic activity and a still decent labour market, although some of the more forward-looking indicators are starting to indicate that growth could start to taper off in 4Q. Domestically, MYR will be supported by expectations for an extended pause in OPR. BNM maintained a neutral stance in its latest MPC statement, highlighting that the prevailing OPR level is consistent with the current assessment of the inflation and growth outlook.

	S2	S1	Indicative	R1	R2
USD/MYR	4.6282	4.6389	4.6600	4.6604	4.6712

USD/SGD

USD/SGD Neutral-to-Slightly Bearish

USD/SGD opened 0.05% higher at 1.3342, plunged to as low as 1.3319 before rebounding to 1.3340 at the point of writing. Daily outlook is neutral-to-slightly bearish amid firmer SGD and softer USD outlook. Singapore's retail sales data is due to be released this week and any positive surprises would push the pair towards support levels at 1.3318 (S1) and 1.3296 (S2) respectively today.



	S2	S1	Indicative	R1	R2
USD/SGD	1.3296	1.3318	1.3340	1.3362	1.3384

MYR Crosses

SGD/MYR

SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.22% higher at 3.5068 but pared all its gains and more to trade at 3.4954 at the point of writing. Daily outlook is neutral-to-slightly bearish as MYR is expected to outperform SGD following the lower opening today. Key support levels for this pair is 3.4976 (S1) and 3.4618 (S2) respectively.



	S2	S1	Indicative	R1	R2
SGD/MYR	3.4618	3.4796	3.4954	3.5150	3.5329

GBP/MYR

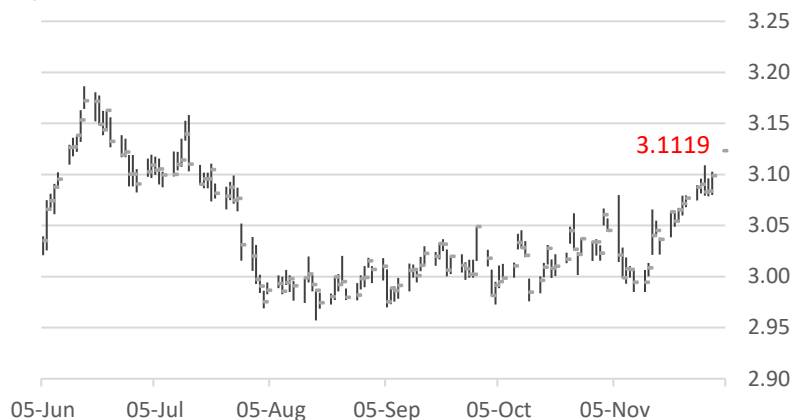
GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.34% higher at 5.9404 before paring all its gains and more to trade at 5.9144 at the point of writing. Daily outlook is neutral-to-slightly bearish given the downward trajectory post opening and key risk for this pair being the Financial Stability Report later in the week. This pair is technically supported at 5.8970 (S1) and 5.8795 (S2) respectively.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.8795	5.8970	5.9144	5.9361	5.9581

AUD/MYR



AUD/MYR Slightly Bullish

AUD/MYR opened 0.79% higher at 3.1230 but pared some of its gains to trade at 3.1119 at the point of writing. Daily outlook is slightly bullish on expectations that RBA will decide on a hawkish hold when they meet tomorrow, driven by easing inflationary pressures but policy makers will remain on alert for demand-fuelled inflation.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0774	3.0947	3.1119	3.1300	3.1472

Source: Bloomberg, HLBB Global Markets Research

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