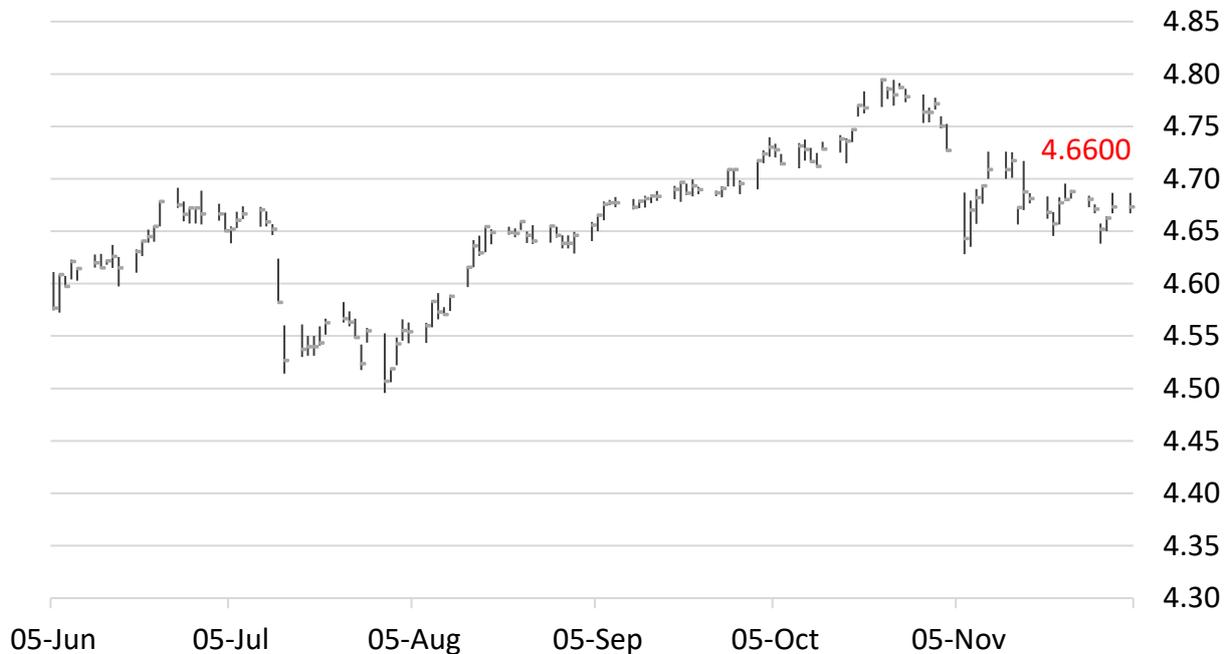


4 December 2023

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

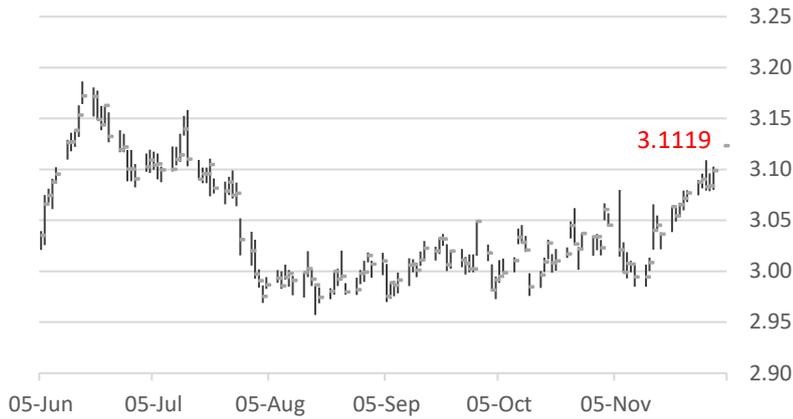
GBP/MYR

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

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets
Level 8, Hong Leong Tower
6, Jalan Damansara
Bukit Damansara
50490 Kuala Lumpur
Tel: 603-2081 1221
Fax: 603-2081 8936
Email: HLMarkets@hlbb.hongleong.com.my

DISCLAIMER

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter.

Potential and actual conflict of interest may arise from the activities of HLB Group. HLB Group constitute a diversified financial services group. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and other activities for their own account or the account of others. In the ordinary course of their business, HLB Group may effect transactions for their own account or for the account of their customers and hold long or short positions in the financial instruments. HLB Group, in connection with its business activities, may possess or acquire material information about the financial instruments. Such activities and information may involve or have an effect on the financial instruments. HLB Group have no obligation to disclose such information about the financial instruments or their activities.

The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favorable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.