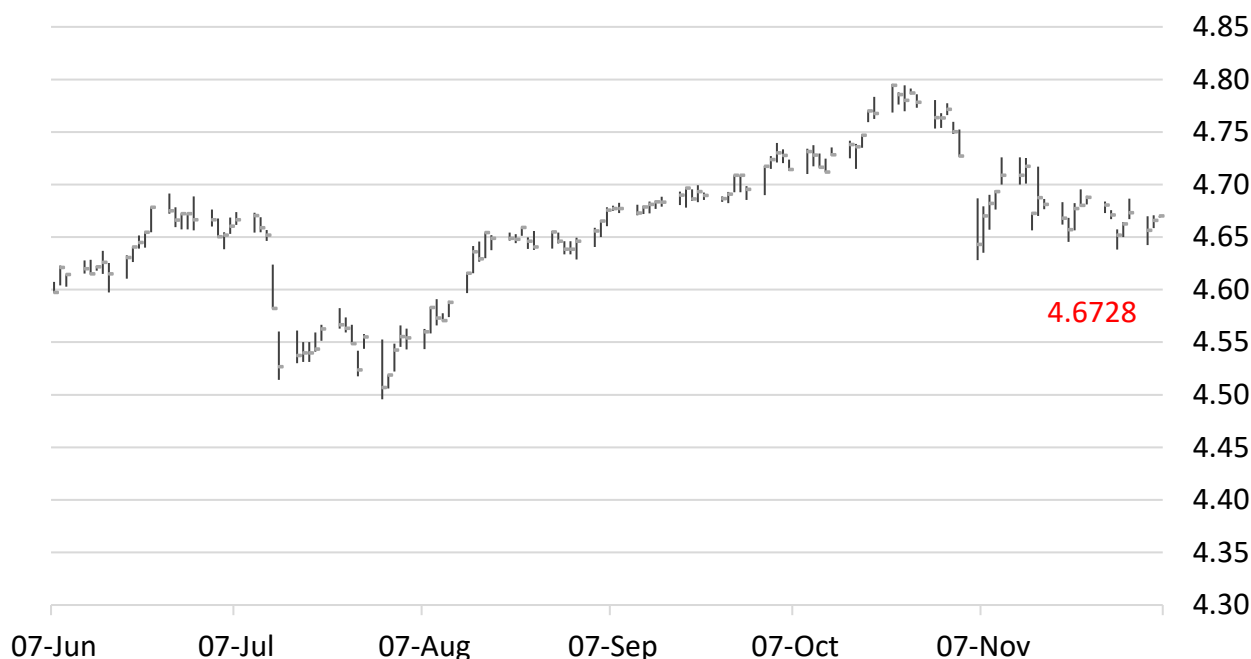


6 December 2023

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

USD/MYR opened 0.09% higher at 4.6700 and strengthened to 4.6728 at the point of writing. Daily outlook is neutral-to-slightly bullish as USD gained grounds overnight and the DXY closed above 104.00, its highest daily close in two weeks. This is despite lower UST yields and mixed US data. JOLTS Job Openings fell more than expected to 8.7m in October, its lowest since March 2021, but the ISM Services Index improved more than expected to 52.7 in November. Tonight will see a follow up in employment numbers with the ADP Employment Change on deck on top of mortgage applications, and trade balance.

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	4.6644	4.6686	4.6728	4.6771	4.6814

USD/SGD



USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.3411 and retreated to 1.3406 at the point of writing. Nonetheless, the pair appeared to hold firmly above the 1.3400 level this morning. We have a neutral-to-slightly bullish outlook today. As this pair is predominantly USD driven, expectation of stronger USD today is also supportive of our outlook.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3391	1.3400	1.3406	1.3418	1.3427

MYR Crosses

SGD/MYR



SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.20% lower at 3.4794 but pared most of its losses to trade close its previous close at 3.4858 at the point of writing. Given the upper trajectory post opening, relative SGD strength against regionals and risk-off mode, we have a neutral-to-slightly bullish outlook on this pair, with resistance levels seen at 3.5144 (R1) and 3.5368 (R2).

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4472	3.4696	3.4858	3.5144	3.5368

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.29% lower at 5.8766 and quickly pared some of its losses to trade at 5.8895 at the point of writing. Daily outlook is neutral given the lower opening will be offset by GBP strength against regionals. GBP/USD, drifted back to above the 1.2600 level in early morning trade and investors will be watching out for BOE's Financial Stability Report today.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.8617	5.8729	5.8895	5.8953	5.9065

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.34% lower at 3.0583 but quickly rebounded up and above its previous close to 3.0738 at the point of writing. Despite the unexpected slowdown in 3Q GDP this morning, AUD/USD held firm and trended up to 0.6588 at the point of writing, and as such, we have a neutral-to-slightly bullish outlook for this pair.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0519	3.0627	3.0738	3.0793	3.0849

Source: Bloomberg, HLBB Global Markets Research

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