

7 March 2023

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts –Neutral

USD/MYR opened 0.19% lower at 4.4700 but rebounded slightly above previous close at 4.4790 at the point of writing. Daily outlook is neutral as we believe that traders will adopt a wait and see attitude ahead of Jerome Powell's testimony on Tuesday and Wednesday as well as the non-farm payroll data on Friday. On the local front, investors will be watching out for news flow from Invest Malaysia as well as BNM's decision on the OPR.

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	4.3866	4.4570	4.4790	4.4820	4.4865

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3451 but rose to 1.3455 at the point of writing. Daily outlook is neutral. Key risk for this pair will be Fed Chair Powell's testimony to the Congress and expectations are that Powell will likely to be hawkish given the slew of robust economic data recently.

To	S2	S1	Indicative	R1	R2
USD/SGD	1.3398	1.3425	1.3455	1.3477	1.3506

MYR Crosses

SGD/MYR

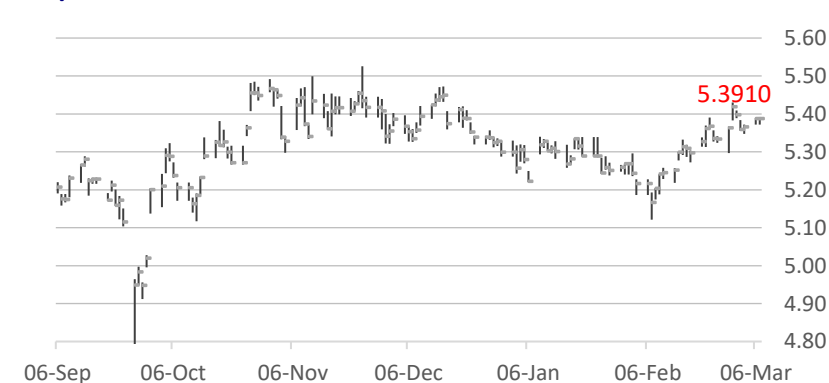


SGD/MYR Neutral

SGD/MYR opened 0.05% higher at 3.3288, traded range bound between 3.3260-3.3290 before settling back at 3.3288 at the point of writing. Daily outlook is neutral and we believe any moves will be MYR driven and muted given that investors will stay cautious of the divisive expectations on BNM's next move this week.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.3210	3.3249	3.3288	3.3325	3.3364

GBP/MYR



GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.03% lower at 5.3846 but rebounded to 5.3910. Daily outlook is neutral-to-slightly bullish given that GBP has strengthened against G10 and regional currencies. As it is, GBP/USD is recovering some ground and is floating around 1.2023 as traders are less bearish about the prospect of the UK economy.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.3462	5.3575	5.3910	5.3975	5.4290

AUD/MYR

AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.05% lower at 3.0139 before rebounding to above previous close at 3.0167 at the point of writing. Daily outlook is neutral-to-slightly bullish given that AUD has strengthened against its regional and G10 peers. All eyes will be on RBA's decision this morning and its accompanying statement. With inflation still sticky, RBA is expected to maintain a hawkish tone.



b	S2	S1	Indicative	R1	R2
AUD/MYR	2.9928	3.0044	3.0167	3.0334	3.0504

Source: Bloomberg, HLBB Global Markets Research

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