

7 July 2023

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

USD/MYR opened 0.02% higher at 4.6615 and was taken higher to 4.6708 at the point of writing as the market continued to digest the news from the BNM MPC meet yesterday. We are neutral-to-slightly bullish on USD/MYR from here, as we expect some selling of MYR after the messaging from the central bank proved to be not as hawkish as some market participants were expecting. Support is seen to kick in at 4.6607 while 4.6762 should provide some near term resistance. BNM releases their end June foreign reserves position this afternoon before the much anticipated US labour market report tonight.

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

The USD/MYR 1-month outlook is neutral-to-slightly bullish in our view as the latest dot plot guided for a higher terminal rate at 5.75% for the fed funds rate as well as on the back of its safe haven status. Despite tentative signs of softening, growth in the US economy and labour market have largely stayed resilient. While inflation is in the midst of moderating, core and inflationary expectations have remained elevated. In view of this, the Fed has revised its GDP growth and core-PCE prices upwards for 2023, spurring odds of a stronger USD. On the domestic front, a more neutral tone in BNM's latest monetary policy statement and slightly accommodative policy stance implied that the current OPR rate is near neutral level. Moderating growth and inflation prospects, coupled with little risks to financial imbalances, will support our view for OPR to stay unchanged at 3.00% for the remaining of 2023, capping excessive gains in the MYR.

	S2	S1	Indicative	R1	R2
USD/MYR	4.6528	4.6607	4.6708	4.6762	4.6917

USD/SGD

USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.3536 and edged lower to 1.3532 at the point of writing. Daily outlook today for the pair is neutral-to-slightly bullish with some support expected at 1.3470 whilst 1.3592 above may provide resistance. Singapore end-June foreign reserves position later this evening is the only economic release domestically, so the tone from the USD will set the direction for the day.



	S2	S1	Indicative	R1	R2
USD/SGD	1.3409	1.3470	1.3532	1.3592	1.3653

MYR Crosses

SGD/MYR

SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.09% lower at 3.4444 but reversed course and headed higher to 3.4515 at the point of writing. Daily outlook for the cross from here is neutral-to-slightly bearish, as there appears to be some room for the recent technical correction from the historical high to continue. Some support can be expected at 3.4449, while 3.4590 above should provide decent resistance.



	S2	S1	Indicative	R1	R2
SGD/MYR	3.4392	3.4449	3.4515	3.4590	3.4731

GBP/MYR

GBP/MYR Neutral

GBP/MYR opened 0.09% higher at 5.9384 and was taken higher along with USD/MYR to 5.9473 at the point of writing. The daily outlook for the cross from here is neutral, with some resistance expected at 5.9556, whilst support should emerge at 5.9417. Little of note coming out in the UK today.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.9247	5.9417	5.9473	5.9556	5.9765

AUD/MYR



AUD/MYR Neutral

AUD opened 0.52% lower versus the MYR at 3.0892, but pared some of its losses to stand at 3.0979 at the point of writing. We are neutral on this pair from here, with some support expected at 3.0918, while resistance comes in at 3.1038 above. Very light on the calendar domestically, with only the RBA Foreign Reserves position as at end June to be released later this afternoon.

a	S2	S1	Indicative	R1	R2
AUD/MYR	3.0784	3.0918	3.0979	3.1038	3.1172

Source: Bloomberg, HLBB Global Markets Research

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