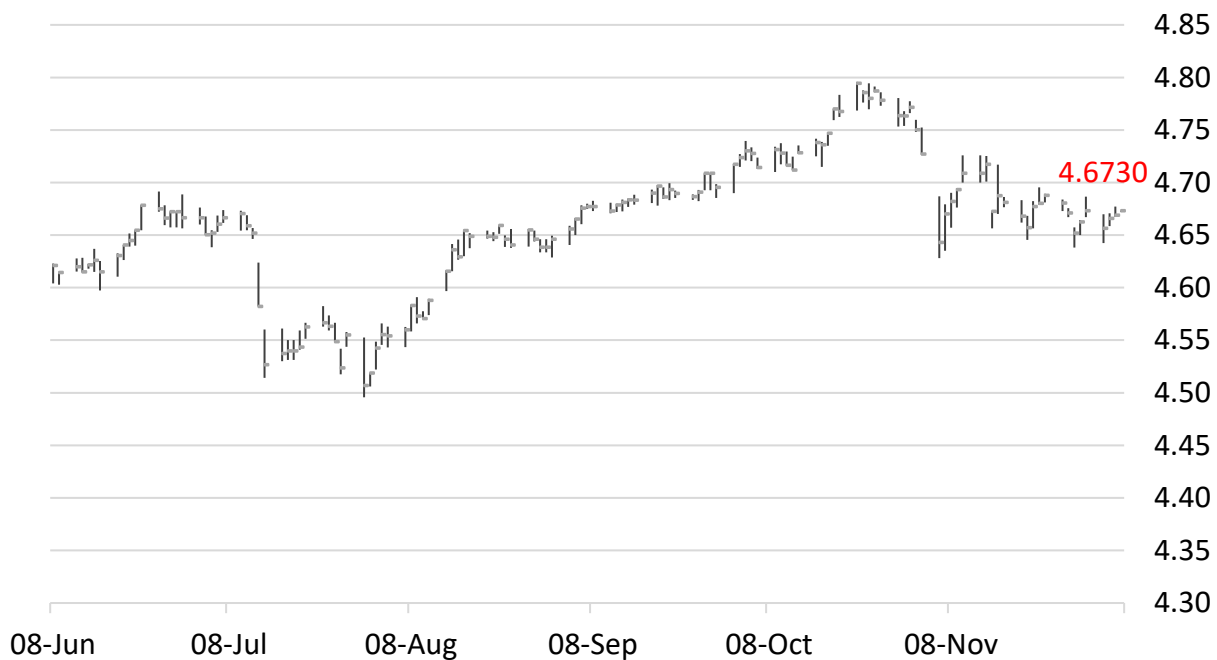


7 December 2023

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

USD/MYR opened 0.06% higher at 4.6720 and strengthened to 4.6730 at the point of writing. Daily outlook is neutral-to-slightly bullish as DXY held steady above the 104-handle this morning, benefitting from increasing expectations that the ECB will out-dove the FOMC with rate cuts in 2024. The Dollar is currently trading mixed against regionals but has generally outperformed risk-sensitive currencies like MYR. Overnight, labour data disappointed again with private sector hiring unexpectedly slowing in November, suggesting that the labour market is indeed losing momentum and investors will wait cautiously for the highly-anticipated Nonfarm Payrolls (NFP) for cues on Fed's next move.

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	4.6705	4.6720	4.6730	4.6765	4.6795

USD/SGD



USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.3421 before edging down slightly to 1.3419 at the point of writing. As this pair is an USD driven play, we have a neutral-to-slightly bullish view, eyeing resistance levels of 1.3426 (R1) and 1.3434 (R2) respectively.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3402	1.3410	1.3419	1.3426	1.3434

MYR Crosses

SGD/MYR



SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.08% lower at 3.4794, traded within the 3.4791-3.4841 range before settling at 3.4823 at the point of writing. While SGD traded mixed against G10, it has largely strengthened against regionals and as such, we have a neutral-to-slightly bullish outlook for this pair. MYR, meanwhile, will be weighed down by the risk-off sentiment as well as plunge in oil prices over the past few days.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4763	3.4797	3.4823	3.4884	3.4944

GBP/MYR



GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.33% lower at 5.8633 but pared some of its losses to trade at 5.8700 at the point of writing. Daily outlook is neutral-to-slightly bearish given the lower opening as well as weaker European currencies vis-à-vis USD as compared to regionals. In the Financial Stability Report, BOE Governor Andrew Bailey stressed that UK banks are well positioned to support borrowers and acknowledged that businesses and household finances are pressured by higher rates.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.8474	5.8575	5.8700	5.8734	5.8777

AUD/MYR



AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 0.33% lower at 3.0589 before paring some of its losses to trade at 3.0628 at the point of writing. Daily outlook is neutral-to-slightly bearish given the lower opening while AUD/USD surrendered gains and hovers around 0.6550 during the early Asian session.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0495	3.0552	3.0628	3.0668	3.0725

Source: Bloomberg, HLBB Global Markets Research

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