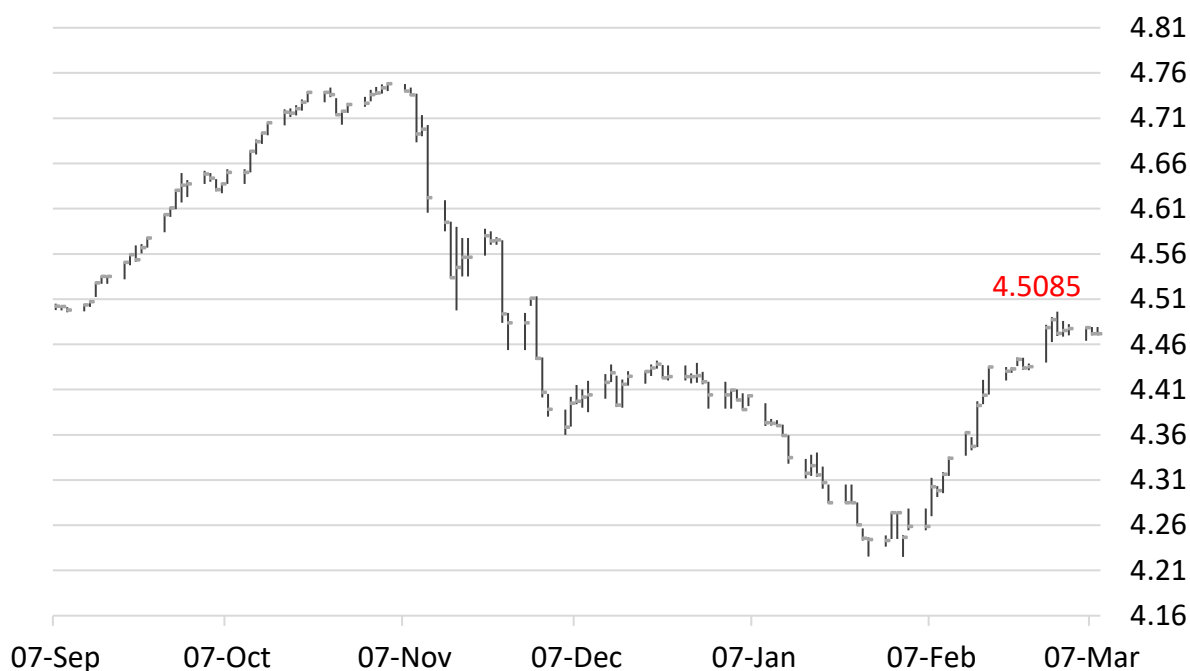


8 March 2023

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Bullish

USD/MYR opened 0.52% higher at 4.4950 and rose to 4.5085 at the point of writing. Daily outlook is bullish after hawkish comments from the Federal Reserve Chair Jerome Powell sent the greenback to as high as 105.65 overnight before closing the day up 1.3% d/d at 105.62. Powell suggested that rates may need to go higher for longer and fuelled fears of a potentially larger hike of 50bps at the central bank's next policy meeting.

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	4.4610	4.4845	4.5085	4.5125	4.5170

USD/SGD

USD/SGD Neutral

USD/SGD opened 0.01% higher at 1.3544 but retreated to 1.3538 at the point of writing. Daily outlook is neutral given the tug-of-war between USD and SGD strength. Key risk for this pair will be US driven given the lack of catalyst on the Singapore's front.



To	S2	S1	Indicative	R1	R2
USD/SGD	1.3488	1.3514	1.3538	1.3568	1.3596

MYR Crosses

SGD/MYR

SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.32% lower at 3.3112 but rebounded to above previous close at 3.3300 at the point of writing. Daily outlook is neutral-to-slightly bullish as SGD has strengthened mostly against its regional peers while MYR has not. Moreover, lower oil prices overnight also do not bode well for commodity-driven MYR.



To	S2	S1	Indicative	R1	R2
SGD/MYR	3.3210	3.3249	3.3300	3.3325	3.3364

GBP/MYR

GBP/MYR Slightly Bearish

GBP/MYR opened 1.26% lower at 5.3044 but rebounded to 5.3343 at the point of writing. Daily outlook is slightly bearish given GBP weakness overnight after BOE policy maker Catherine Mann said that GBP could face downward pressure if traders had not priced in hawkish comments by the Federal Reserve. This sent GBP depreciating 1.6% d/d overnight.



To	S2	S1	Indicative	R1	R2
GBP/MYR	5.2751	5.3016	5.3343	5.3636	5.3730

AUD/MYR



AUD/MYR Slightly Bearish

AUD/MYR opened 1.00% lower at 2.9554 before recovering some grounds to 2.9717 at the point of writing. Daily outlook is slightly bearish given that AUD tumbled to the lowest since Nov 11 after the RBA said that monthly CPI numbers suggest that inflation has peaked. Nevertheless, any bearishness will be capped given that AUD has since recovered to hover around 0.6585 at the point of writing and has appreciated against its G10 and regional peers.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9455	2.9582	2.9717	2.9921	3.0136

Source: Bloomberg, HLBB Global Markets Research

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hlbb.hongleong.com.my**DISCLAIMER**

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