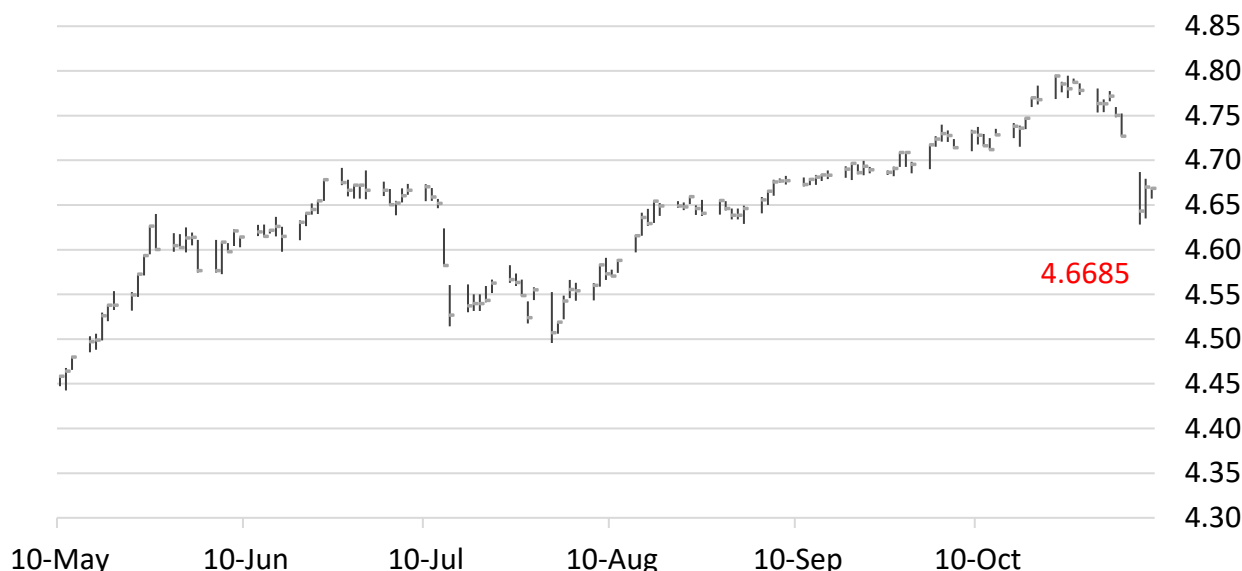


8 November 2023

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Slightly Bearish

USD/MYR opened 0.05% lower at 4.6675, but pared some of its losses to trade at 4.6685 at the point of writing. Daily outlook is slightly bearish we feel, and the pair should be one of the bigger beneficiaries of any continued weak USD backdrop, after the correction higher yesterday. Yesterday's industrial production numbers also showed that hidden beneath the reported annual decline was another strong monthly rise, a further sign that the economy may be regaining some momentum. Resistance above is seen at 4.6767 (R1) today, while on the downside some support for the pair comes emerges at 4.6587 (S1), but more significant support comes in at 4.6417 (S2). With no Tier 1 economic releases in the US tonight, the key risk lies in Fed Chair Jerome Powell's speech tonight at a Fed conference.

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

The USD/MYR 1-month outlook is neutral-to-slightly bullish as the Fed dot plot points to one more 25bps Fed hike this year, while expectations for any rate cut are being pushed back to 2H2024. In fact, the latest Fed dot plot showed the median forecast for end-2023, 2024 and 2025 fed funds rate at 5.6%, 5.1% and 3.9% respectively (June: 5.6%, 4.6% and 3.4%). The 50bps upward revision for 2024 and 2025 was attributable to expectations for a more solid expansion in economic activities and continuous improvement in the labour market. However, we noted Chair Jerome Powell has also said that the FOMC is attentive to the increase in longer-term term yields and a persistent change in tightening of broader financial conditions can have implications for the path of monetary policy, scaling down Fed rate hike bets. On the domestic front, 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. This reaffirmed our view for an extended pause in the OPR at 3.00% for the rest of the year and will cap MYR strength.

	S2	S1	Indicative	R1	R2
USD/MYR	4.6417	4.6587	4.6685	4.6767	4.6890

USD/SGD



USD/SGD Neutral-to-Slightly Bearish

USD/SGD opened flat at 1.3544 and traded higher to 1.3549 at the point of writing. Daily outlook is neutral-to-slightly bearish with last week's USD weakness expected to continue to play out. Some support can be seen below at 1.3505 (S1) and near term resistance above emerges at 1.3581 (R1). Nothing on the calendar domestically today, so the pair is expected to take the lead from the USD and USD/Asia in general.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3465	1.3505	1.3549	1.3581	1.3630

MYR Crosses

SGD/MYR



SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.04% higher at 3.4478 but reversed course and traded lower to 3.4450 at the point of writing. Daily outlook for the cross is neutral-to-slightly bearish today, as the MYR is seen to benefit more in a weak USD environment. Resistance above is present at 3.4507 (R1) while some measure of support for the cross emerges at 3.4397 (S1).

5	S2	S1	Indicative	R1	R2
SGD/MYR	3.4223	3.4397	3.4450	3.4507	3.4662

GBP/MYR

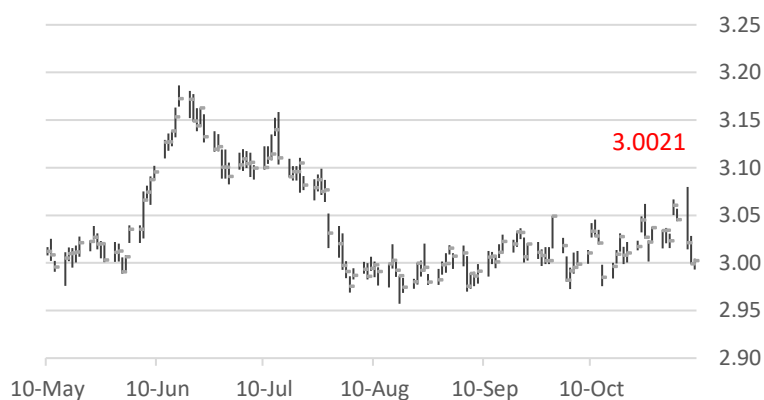


GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.11% lower at 5.7397 and continued to trade lower to 5.7341 at the point of writing. We are neutral-to-slightly bearish on this cross today, as technically the cross looks like a retest of the 5.70 level is possible over the next few sessions. Domestically, no economic data is due out of the UK today.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.7155	5.7252	5.7341	5.7421	5.7663

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.13% higher at 3.0026 but retraced some of its gains to trade at 3.0021 at the point of writing. We are neutral-to-slightly bullish on this cross today, with decent support below at 2.9975 (S1) while some resistance is seen at 3.0133 (R1). Nothing on the calendar domestically in Australia today after the RBA move yesterday.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9869	2.9975	3.0021	3.0133	3.0361

Source: Bloomberg, HLBB Global Markets Research

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