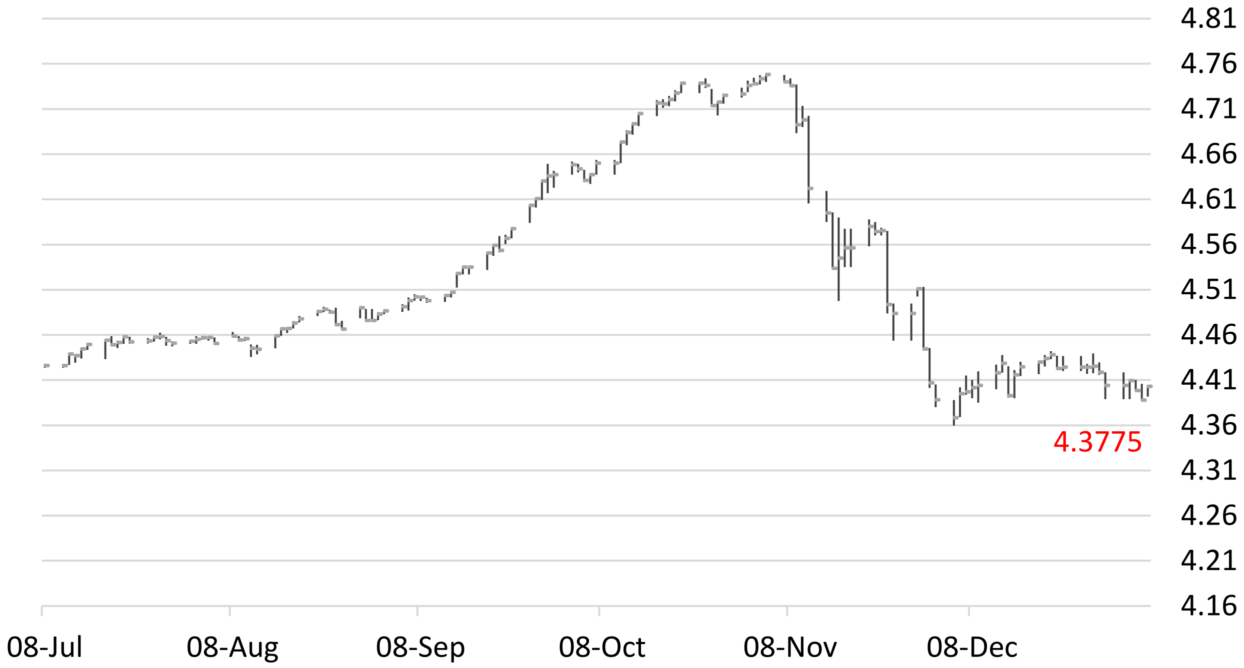
9 January 2023

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Slightly Bearish

USD/MYR opened 0.19% lower at 4.3950 and has since dipped further to 4.3775 at the point of writing. Daily outlook is slightly bearish given the lower opening and downward trajectory subsequent to that. USD has also weakened against its G10 peers and most regional currencies post the NFP data last Friday. Fed speaks (including Fed Chair Powell's), CPI, University of Michigan inflation expectations, ISM services, durable goods orders and factory orders would also add noises to USD movement this week.

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

USD/ MYR outlook is skewed to the bearish side amid expectations of further retreat in the USD. The smaller but expected 50bps Fed rate hike in December, and reaffirmation from Fed Chair Powell that the Fed will slow the pace of rate hike marks the beginning of Fed policy pivot, and shall continue to dampen USD outlook going forward, hence benefitting the G10s and other EM currencies. Abatement in local political noises and favourable economic fundamentals domestically should also keep the MYR supported. A break below 4.40 will likely pave the way for the pair to head towards 4.35. Budget tabling on 24 February will be the next key domestic event risk to watch.

	S2	S1	Indicative	R1	R2
USD/MYR	4.3465	4.3660	4.3775	4.3897	4.3945

USD/SGD

USD/SGD Slightly Bearish

USD/SGD opened 0.07% lower at 1.3386 and has since fallen to 1.3319 at the point of writing. Daily outlook is slightly bearish given the lower opening, downward trajectory subsequent to that as well as USD weakness. SGD has also strengthened vis-à-vis G10 currencies and in the absence of domestic catalyst, USD outlook will be the primary driver for this pair.

To	S2	S1	Indicative	R1	R2
USD/SGD	1.3250	1.3300	1.3319	1.3362	1.3397

MYR Crosses

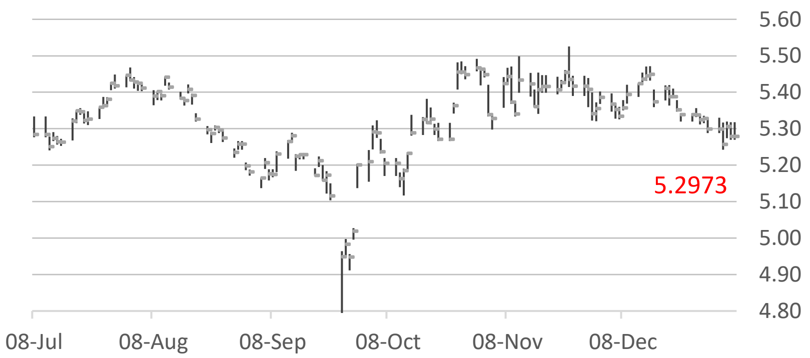
SGD/MYR

SGD/MYR Slightly Bullish

SGD/MYR opened 1.00% higher at 3.3018, but has since retreated to 3.2787 at the point of writing. At this level, it is still higher than previous close and as such, we are bullish on this pair. Key economic data to watch out for this pair this week will be Malaysia IPI, which will most likely reinforce the case of moderating growth in 4Q.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.2731	3.2770	3.2787	3.2844	3.2877

GBP/MYR

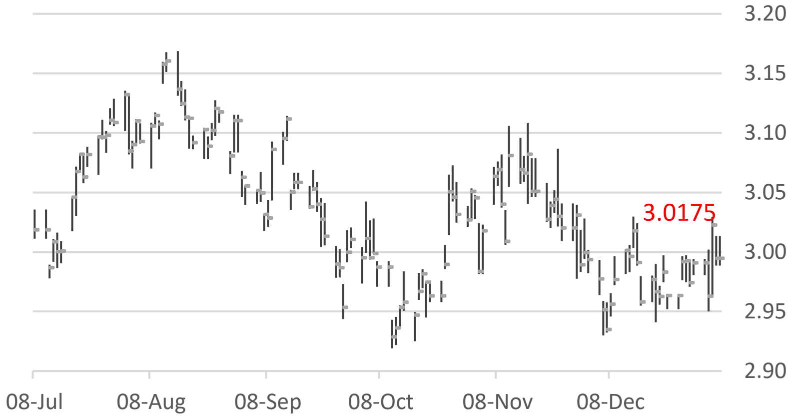


GBP/MYR Bullish

GBP/MYR opened 2.18% higher at 5.3354 but has since retreated to 5.2973 at the point of writing. Daily outlook is bullish given the higher opening and on the back that GBP/USD bulls flirted with the 1.2100 threshold, after posting the biggest daily jump in five weeks on Friday. Hawkish Fed speaking also failed to weigh on the GBP.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.2162	5.2572	5.2973	5.3389	5.3493

AUD/MYR



AUD/MYR Bullish

AUD opened 2.25% higher at 3.0358 but has since retreated to 3.0175 at the point of writing. Daily outlook is bullish given the higher opening and that AUD has been relatively strong compared to its other G10 peers save for CAD and JPY, supported by potential positive economic spillover from China's reopening, as well as a still tight labour market down under. The AUD is nevertheless susceptible to unexpected slump in building permits data released this morning.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9528	2.9818	3.0175	3.0298	3.0405

Source: Bloomberg, HLBB Global Markets Research

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