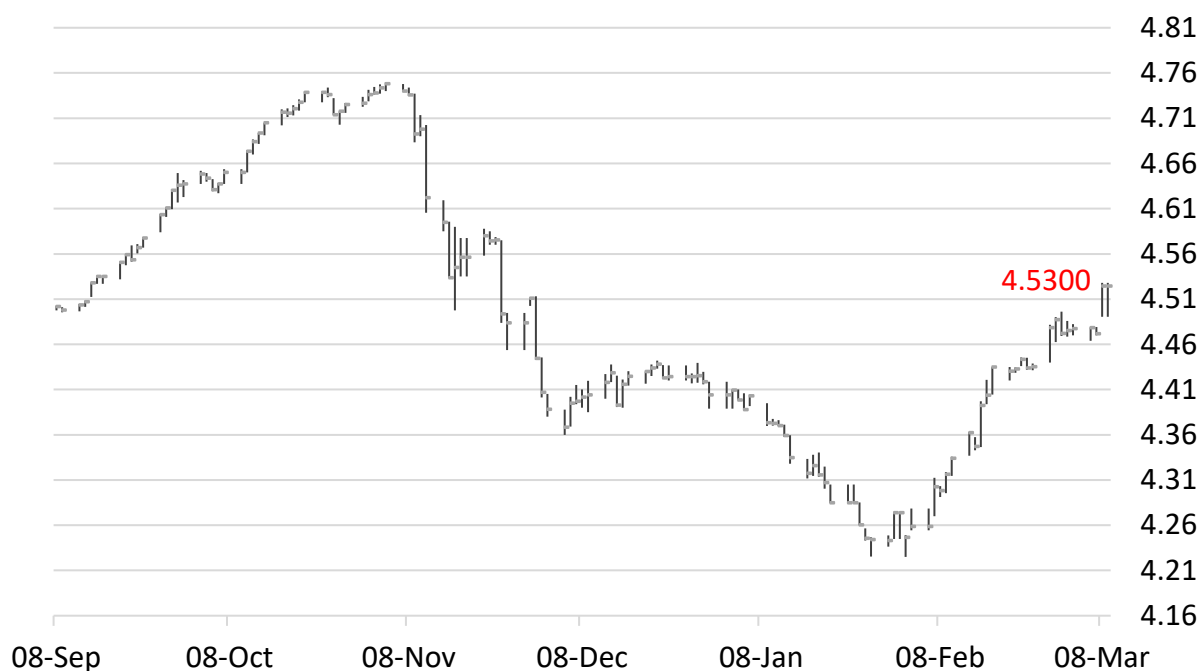


9 March 2023

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

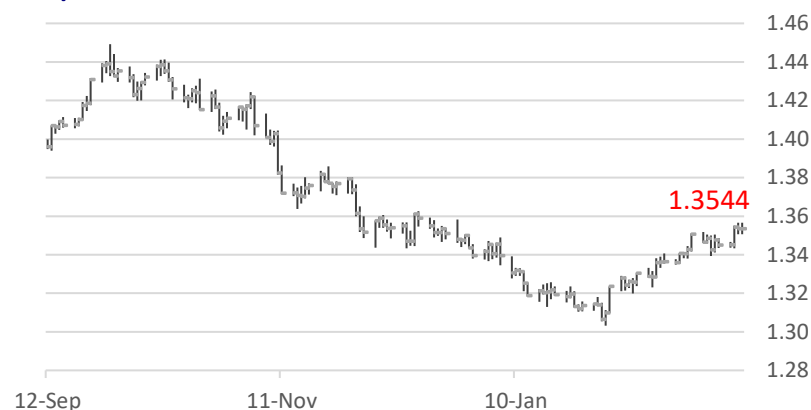
USD/MYR opened 0.01% lower at 4.5240 before rebounding slightly to 4.5300 at the point of writing. Daily outlook is neutral-to-slightly bullish on the back of MYR weakness. Nevertheless, we believe any gains will be limited given investors will tread cautiously ahead of the BNM OPR decision today and NFP data due to be released tomorrow. This is especially so since the Federal Reserve Chair has said that policy makers will be waiting for fresh jobs data. On the domestic front, BNM is set to meet this afternoon and expectations are split whether BNM will pause or hike the OPR by another 25bps.

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	4.4959	4.5108	4.5300	4.5305	4.5350

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3538, before edging up to 1.3544 at the point of writing. Daily outlook is neutral given the lack of catalyst on the Singapore front and while investors await the NFP data on the US front. Gain in NFP is expected to halve to 225k in February from 517k previously.

To	S2	S1	Indicative	R1	R2
USD/SGD	1.3485	1.3514	1.3544	1.3572	1.3601

MYR Crosses

SGD/MYR



SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.08% higher at 3.3440 before slipping slightly to 3.3437 at the point of writing. Daily outlook is neutral-to-slightly bullish on the back of a softer MYR vis-à-vis the SGD. Any more hawkish than expected BNM rhetoric will likely cap its upside.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.3350	3.3387	3.3437	3.3464	3.3505

GBP/MYR



GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.13% higher at 5.3621 and inched slightly higher to 5.3626 at the point of writing. Daily outlook is neutral-to-slightly bullish as GBP/USD is recovering some ground and floats around 1.1851. Capping the gains will be GBP weakness while falling odds of more restrictive BOE monetary policy is expected to keep the Pound Sterling on the tenterhooks.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.2875	5.3230	5.3626	5.3940	5.3966

AUD/MYR



AUD/MYR Neutral-to-Slightly Bearish

AUD opened 0.10% lower at 2.9839, slipped to 2.9777 before retracing to 2.9820 at the point of writing. Daily outlook is neutral-to-slightly bearish given that AUD has weakened against all G10 and most regional currencies. RBA's Lowe said that the RBA was closer to pausing its aggressive cycle of rate increases also does not bode well for AUD. Moreover, AUD will be weighed down by the weaker than expected China's CPI and PPI data released this morning given the strong Aussie-China ties.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9572	2.9698	2.9820	2.9995	3.0210

Source: Bloomberg, HLBB Global Markets Research

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damansara

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

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

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