11 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 0.34% higher at 4.6800, held firmly above this level in early morning trade before settling at 4.6805 at the point of writing. Daily outlook is neutral-to-slightly bullish as the hotter-than-expected non-farm payrolls (NFP) and consumer sentiment data on Friday supported a soft-landing scenario, pared aggressive rate cut bets and supported the upward trajectory in the USD. Tonight, we will be watching out for the NY Fed 1Y inflation expectations, followed by the CPI and PPI numbers as well as FOMC's final decision for the year later in the week. On the domestic front, we will be watching out for the IPI numbers for more clues on the performance of the economy in 4Q.

**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 | 4.6788 | 4.6797 | 4.6805 | 4.6817 | 4.6827 |

## USD/SGD


**USD/SGD Neutral-to-Slightly Bullish**

USD/SGD opened 0.06% lower at 1.3413 before rebounding above its previous close to 1.3431 at the point of writing, Daily outlook is neutral-to-slightly bullish with the pair taking a lead from USD strength given a very quiet week ahead data wise for Singapore. The pair is expected to face resistance at 1.3440 (R1) and 1.3448 (R2) respectively.

| | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| USD/SGD | 1.3401 | 1.3416 | 1.3431 | 1.3440 | 1.3448 |

# MYR Crosses

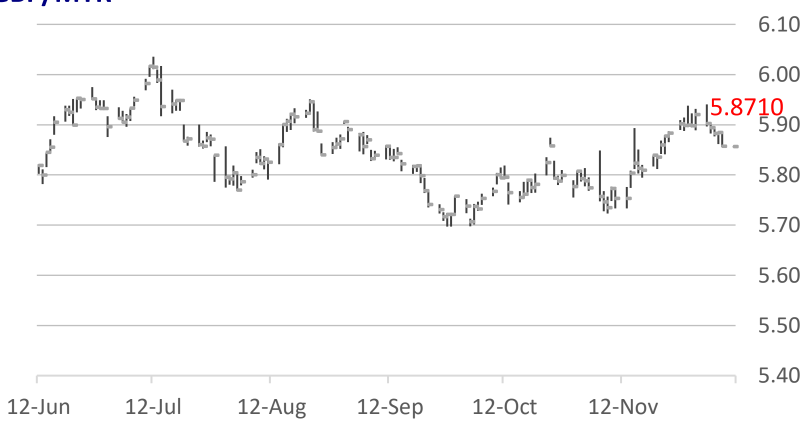
## SGD/MYR


**SGD/MYR Neutral-to-Slightly Bearish**

SGD/MYR opened 0.18% lower at 3.4770 before rebounding to 3.4830 at the point of writing. Daily outlook is neutral-to-slightly bearish given the lower opening, but we will be watching out for Malaysia's IPI data for October. Expectations is that growth will pick up to +2.4% y/y from -0.5% y/y previously.

| | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| SGD/MYR | 3.4680 | 3.4732 | 3.4830 | 3.4851 | 3.4904 |

## GBP/MYR




**GBP/MYR Neutral-to-Slightly Bullish**

GBP/MYR opened 0.02% lower at 5.8556 but strengthened to 5.8710 at the point of writing. Daily outlook is neutral-to-slightly bullish on GBP strength against regionals, but gains will be capped as GBP/USD is trying to hold onto 1.2550 level. This week will be data heavy for UK, with labour data, monthly GDP and BOE's decision scheduled for the week.

| | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| GBP/MYR | 5.8454 | 5.8583 | 5.8710 | 5.8789 | 5.8866 |

**AUD/MYR**


**AUD/MYR Neutral-to-Slightly Bearish**

AUD/MYR opened 0.41% lower at 3.0687 and slid to 3.0626 at the point of writing. Daily outlook is neutral-to-slightly bearish on AUD weakness vis-a-vis G10 currencies on deflation worries in China after the weaker than expected CPI and PPI prints. On the Aussie front, we will be keeping an eye on RBA Governor Bullock's speech on Tuesday and employment numbers coupled with first tier China data later in the week.

| | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| AUD/MYR | 3.0524 | 3.0573 | 3.0626 | 3.0719 | 3.0817 |

*Source: Bloomberg, HLBB Global Markets Research*

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