

12 January 2023

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral to Slightly Bearish

USD/MYR opened flat at 4.3702 and dipped lower to 4.3672 at the point of writing. Daily outlook is neutral-to-slightly bearish as the USD is expected to trade range bound amid cautiousness ahead of US CPI release. This is reflected the DXY closing little changed overnight. Nevertheless, we note that USD has weakened against most regional and G10 currencies save CAD, and as such, the risk to this pair is tilted downwards. MYR will also be supported by the surprise uptick in IPI data released yesterday as well as higher oil prices.

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	4.3285	4.3485	4.3672	4.3885	4.3925

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3312 and has since dipped slightly to 1.3304 at the point of writing and appears well supported. We expect this pair to be range bound, with daily outlook neutral in the absence of catalyst from Singapore while investors await the release of the US inflation data tonight.

To	S2	S1	Indicative	R1	R2
USD/SGD	1.3233	1.3264	1.3304	1.3329	1.3360

MYR Crosses

SGD/MYR



SGD/MYR Neutral

SGD/MYR opened 0.09% higher at 3.2863 but has since retreated close to prior day's close at 3.2831 at the point of writing. As such, daily outlook is neutral, especially since we note that the surprise uptick in Malaysia's IPI data yesterday failed to sway the direction of this pair.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.2773	3.2810	3.2831	3.2882	3.2921

GBP/MYR



GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.22% higher at 5.3138 but has since retreated slightly to 5.3122 at the point of writing. Daily outlook is neutral to slightly bullish on GBP strength. Any gains, nevertheless, will be capped on concerns of economic hardships due to strikes from the British public sector. As it is, Rishi Sunak has failed to come to a mid-point with the union and the latter are warning over a much bigger protest starting from Feb 1.

To	S2	S1	Indicative	R1	R2
GBP/MYR	5.2378	5.2737	5.3122	5.3205	5.3313

AUD/MYR

AUD/MYR Neutral-to-Slightly Bullish

AUD opened 0.01% lower at 3.0201 but has since rebounded slightly above previous day's close at 3.0213 at the point of writing. We are neutral-to-slightly bullish on this pair given that AUD has strengthened against most regional and G10 currencies. AUD will also be supported by improving Sino-Aussie ties as well as the higher-than-expected trade surplus data released this morning.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9730	2.9970	3.0213	3.0278	3.0297

Source: Bloomberg, HLBB Global Markets Research

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