

13 October 2023

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Bullish

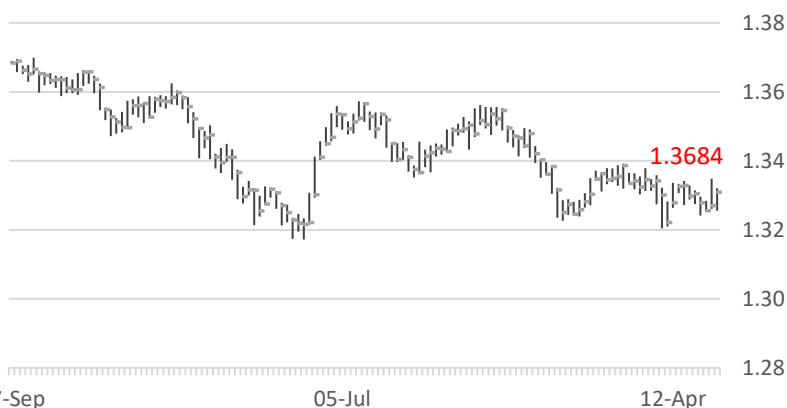
USD/MYR opened 0.41% higher at 4.7310 and strengthened to 4.7318 at the point of writing. Daily outlook is bullish given the higher opening and USD strength. Overnight, DXY rose sharply by 0.7% d/d back above the 106-handle, supported by higher UST yields as traders fretted over still sticky US CPI print. Key sway for this pair today will be Malaysia's Budget 2024, its various measures and more importantly, whether the government will stick with its fiscal consolidation measures.

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. On the domestic front, BNM dropped the "slightly accommodative" phrase 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	4.6903	4.7032	4.7318	4.7393	4.7643

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3701 and slipped to 1.3684. We have a neutral call for this pair in a tug of war between strong USD and expectations that SGD could strengthen over the day after MAS decided to maintain the prevailing rate of appreciation of the S\$NEER policy band and after 3Q GDP came above expectations at +0.7% y/y. With this, we expect this pair to trade within the 1.3634-1.3739 range.

	S2	S1	Indicative	R1	R2
USD/SGD	13566	1.3634	1.3684	1.3739	1.3776

MYR Crosses

SGD/MYR



SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.51% lower at 3.4401 but quickly rebounded to 3.4580 at the point of writing. This is just a shade above previous close. We have a neutral-to-slightly bullish outlook for this pair, as the impact from the lower opening and strong MYR is negated by expectations of a stronger SGD, as seen in USD/SGD and SGD/MYR pairs. This pair, will nonetheless meet resistance at 3.4649 (R1) and 3.4722 (R2).

5	S2	S1	Indicative	R1	R2
SGD/MYR	3.4389	3.4500	3.4580	3.4649	3.4722

GBP/MYR



GBP/MYR Slightly Bearish

GBP/MYR opened 0.94% lower at 5.7406 but pared some of its losses to trade at 5.7741 at the point of writing. Daily outlook is slightly bearish on account of the lower opening and after GBP/USD plunged to as low as 1.2195 at the point of writing. As it is, the mild monthly GDP growth in August seemed to fail to inspire confidence for Sterling.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6730	5.7130	5.7741	5.8113	5.8274

AUD/MYR



AUD/MYR Bearish

AUD/MYR opened 1.47% lower at 2.9762 but rebounded to 2.9937 at the point of writing. Daily outlook is bearish given the lower opening and AUD weakness. This pair, will nevertheless, be supported at 2.9709 (S1) and 2.9435 (S2) respectively.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9435	2.9709	2.9937	3.0304	3.0404

Source: Bloomberg, HLBB Global Markets Research

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