

13 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 flat at 4.6840 and strengthened to 4.6875 at the point of writing. Daily outlook is neutral-to-slightly bullish with most market participants expect Fed Chair Jerome Powell to push back against monetary policy easing during its press conference. Capping gains is the DXY resuming its downward trend to 103.82 at the point of writing, but the index has largely held firm above the 103.80 handle. Overnight, US CPI print eased but monthly momentum picked up. While this is unlikely to alter Fed's policy stance today, traders have scaled back bets on how aggressively the Fed will cut rates in 1Q.

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	4.6827	4.6851	4.6875	4.6888	4.6902

USD/SGD

USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.3414 before trending up to 1.3419 at the point of writing. Daily outlook is neutral-to-slightly bullish on SGD weakness, but any dovish tilt from the Fed is supportive of regional currencies, including SGD. This pair is expected to face resistance levels at 1.3424 (R1) and 1.3434 (R2).



	S2	S1	Indicative	R1	R2
USD/SGD	1.3396	1.3405	1.3419	1.3424	1.3434

MYR Crosses

SGD/MYR

SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.06% higher at 3.4926 and has largely remained stable, trading at 3.4928 at the point of writing. Daily outlook is neutral-to-slightly bullish as SGD has fared better relative to MYR this morning, eyeing R1 and R2 at 3.4950 and 3.4976 respectively. Weighing on MYR is also the weak oil prices overnight.



	S2	S1	Indicative	R1	R2
SGD/MYR	3.4878	3.4902	3.4928	3.4950	3.4976

GBP/MYR

GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.02% higher at 5.8873 and strengthened further to 5.8925 at the point of writing. Daily outlook is neutral-to-slightly bullish on GBP strength and on expectations that BOE Governor Andrew Bailey and Co. will deliver a hawkish hold his Thursday. GBP/USD, meanwhile, has largely remained firm, trading above the 1.2550 level.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.8008	5.8469	5.8925	5.9746	6.0561

AUD/MYR



AUD/MYR Slightly Bearish

AUD/MYR opened 0.42% lower at 3.0748 before paring some of its losses to trade at 3.0787 at the point of writing. Daily outlook is slightly bearish on AUD weakness. As it is, the AUD/USD pair traded in negative territory for the fourth consecutive day around the mid-0.6500s during the early Asian session.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0168	3.0476	3.0787	3.1347	3.1908

Source: Bloomberg, HLBB Global Markets Research

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