

14 March 2023

**Global Markets Research**

**Daily Currency Outlook**

**USD/MYR**



Source: Bloomberg, HLBB Global Markets Research

**Intraday Thoughts – Slightly Bearish**

USD/MYR opened 0.19% lower at 4.4882 and plunged to 4.4762 at the point of writing. Daily outlook is slightly bearish. Not only has MYR strengthened against the regional and G10 currencies, greenback has bled heavily in the aftermath of the Silicon Valley Bank collapse. Market is also betting that the Federal Reserve will be less aggressive in raising interest rates, or even pause in its next FOMC meeting next week and this does not bode well for USD.

**1-Month Outlook – USD/MYR Neutral**

USD/MYR outlook is neutral. The collapse of Silicon Valley Bank (SVB) and its contagion risk will dampen Fed’s hawkishness and USD outlook but flock to safe haven demand somewhat limited losses. Market jitters have however eased after US authorities took emergency measures to ease concerns and guarantee the SVB deposits. US data has largely surprised on the upside, with higher-than-expected nonfarm payroll job gains and core-PCE prices. However, the latest bank rout and market nervousness could potentially sway the Fed policy tightening path. We now see risks to our house view for three more rate hikes in the quantum of 25bps each in the next three upcoming meetings. On the domestic front, with the likelihood of inflationary concerns overshadowing growth risks, there is room for another 25bps increase in the OPR to 3.00% going forward, which could happen as early as May. This shall help alleviate the pressure on the MYR. That said, the SVB jitters could swing this view should it turn into a systemic issue for the global financial markets.

	<b>S2</b>	<b>S1</b>	<b>Indicative</b>	<b>R1</b>	<b>R2</b>
USD/MYR	4.4400	4.4700	4.4762	4.5048	4.5348

**USD/SGD**

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

USD/SGD opened flat at 1.3462, traded range bound and settled at 1.3475 at the point of writing. Daily outlook is neutral to slightly bullish given that SGD has snapped its 4-day gain vis-a-vis USD. As it is, MAS has released a statement stating that Singapore's banking system has insignificant exposure to SVB and Signature Bank.

To	S2	S1	Indicative	R1	R2
USD/SGD	1.3420	1.3448	1.3475	1.3504	1.3535

**MYR Crosses**
**SGD/MYR**

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

SGD/MYR opened 0.01% lower at 3.3355 and dipped further to 3.3212 at the point of writing. Daily outlook is neutral to slightly bearish as SGD has weakened against regional currencies, while MYR has not. Both Singapore and Malaysia will release its trade data this week and expectations are that Singapore will continue to register double digit contraction for NODX while Malaysia's export growth will likely stay expansionary, supporting the latter.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.3156	3.3193	3.3212	3.3269	3.3310

**GBP/MYR**

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

GBP/MYR opened 0.71% higher at 5.4694 before retreating to 5.4347 at the point of writing. GBP has recovered some ground recently and is floating around 1.2160 ahead of Britain's Finance Minister Jeremy Hunt annual budget this week. It is reported that he will announce a plan to create 12 investment zones, with each backed by £80m spread over 5 years. The UK employment report will be crucial to watch for immediate directions to GBP.

To	S2	S1	Indicative	R1	R2
GBP/MYR	5.3769	5.4099	5.4347	5.4553	5.4688

### AUD/MYR



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

AUD opened 0.49% higher at 2.9916 but quickly pared its gains to 2.9749 at the point of writing. Daily outlook is neutral to slightly bearish given that weak consumer confidence data this morning boosted case for a RBA rate pause and this does not bode well for AUD. In fact, AUD weakened against its G10 and regional peers with key risk being the employment numbers due later in the week.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9347	2.9557	2.9749	2.9887	3.0007

Source: Bloomberg, HLBB Global Markets Research

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