

15 September 2023

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Slightly Bullish

USD/MYR opened 0.03% higher at 4.6848 before strengthening to 4.6873 at the point of writing. Daily outlook is slightly bullish as generally stronger than anticipated US economic data overnight will support a strong USD today. Tonight, we will be tracking the IPI, Uni of Michigan Sentiment and Empire Manufacturing numbers.

1-Month Outlook – USD/MYR Neutral

The USD/MYR 1-month outlook is neutral in our view as we maintain our expectations that the 25bps rate hike to 5.25%-5.50% could be the last hike in the current tightening cycle in anticipation of further moderation in inflation outlook. DXY has held steady at the 104-105 handle with Jerome Powell's latest remarks at Jackson Hole that policy makers have a long way to go in returning inflation to their 2.0% goal and that it is certainly possible that the Fed would raise interest rates again, if the data warranted. As it is, Fed-dated OIS pricing showed less than 10% probability of a September hike but pricing for a November rate hike has been slowly inching up to 55% now. 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	4.6738	4.6786	4.6873	4.6896	4.6975

USD/SGD

USD/SGD Slightly Bullish

USD/SGD opened flat at 1.3635, before trending up to 1.3643 at the point of writing. Similar to USD/ MYR, we have a slightly bullish call for this pair on USD strength, with R1 and R2 at 1.3657 and 1.3680 respectively



	S2	S1	Indicative	R1	R2
USD/SGD	1.3566	1.3600	1.3643	1.3657	1.3680

MYR Crosses

SGD/MYR

SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.24% lower at 3.4328 but pared some of its losses to trade at 3.4357 at the point of writing. Daily outlook is neutral-to-slightly bearish on account of the lower opening and MYR could potentially benefit upside from the elevated oil prices. This pair, will nonetheless, be supported at 3.4203 (R1) and 3.4112 (R2).



	S2	S1	Indicative	R1	R2
SGD/MYR	3.4112	3.4203	3.4357	3.4451	3.4490

GBP/MYR

GBP/MYR Slightly Bearish

GBP/MYR opened 0.59% lower at 5.8081 but erased some of its loss to trade at 5.8138 at the point of writing. Daily outlook is slightly bearish as appetite for GBP/USD was notably bearish, briefly breaking beneath the 1.2400 handle after a slew of weak UK economic numbers, from GDP to IPI and labour data.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.7347	5.7929	5.8138	5.8521	5.8618

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD opened 0.03% higher at 3.0117, spiked to as high as 3.0220 before retreating to 3.0179 at the point of writing. Daily outlook is neutral to slightly bullish on account of AUD strength, which economic data released from the China front this morning was mixed but showed signs of stabilising. Of note, both the IPI and retail sales data accelerated more than expected.

A	S2	S1	Indicative	R1	R2
AUD/MYR	2.9830	2.9974	3.0179	3.0262	3.0406

Source: Bloomberg, HLBB Global Markets Research

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