

16 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 0.05% lower at 4.3327 and has stayed relatively stable at 4.3328 at the point of writing. Daily outlook is neutral to slightly bearish on the back of lack of catalyst today and that USD has remained relatively flat on Friday after a sharp decline the day before. Nevertheless, bearish risk persists for this pair given that USD has predominantly weakened against most G10 and regional currencies, while BNM is also expected to raise the OPR by another 25bps, thus supporting the Ringgit. Malaysia export numbers will be the key data to watch out for this pair this week.

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 favorable economic fundamentals domestically should also keep the MYR supported. A break below 4.40 has already paved 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	4.3105	4.3280	4.3328	4.3500	4.3875

USD/SGD



USD/SGD Neutral

USD/SGD opened 0.05% higher at 1.3194, breached the 1.32 level to a high of 1.3208 but has since retreated to 1.3186 at the point of writing. We are neutral on this pair. There is a lack of catalyst today given that the US will be closed for the Martin Luther King Jr Day. Key risk for this week will be Singapore's NODX due to be released on Jan 17.

To	S2	S1	Indicative	R1	R2
USD/SGD	1.3111	1.3142	1.3186	1.3212	1.3243

MYR Crosses

SGD/MYR

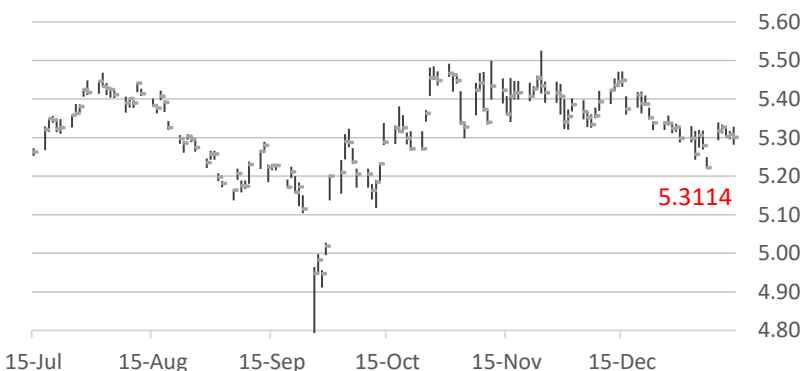


SGD/MYR Slightly Bullish

SGD/MYR opened 0.10% higher at 3.2835 and has since strengthened to 3.2863 at the point of writing. We are slightly bullish on this pair given the higher opening as well as the upper trajectory subsequent to that.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.2809	3.2848	3.2863	3.2921	3.2960

GBP/MYR



GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.04% lower at 5.2984 but has since rebounded above previous close at 5.3114 at the point of writing. We are neutral-to-slightly bullish on this pair given the upper trajectory post opening as well as on the back that GBP strengthened against most regional currencies. This week, GBP will be guided by the UK inflation data, which will be released on Wednesday.

To	S2	S1	Indicative	R1	R2
GBP/MYR	5.2442	5.2782	5.3114	5.3473	5.3579

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD opened 0.06% lower at 3.0218 but has since rebounded to above previous close at 3.0294 at the point of writing. AUD has also strengthened against most G10 and regional currencies, and as such, we are neutral-to-slightly bullish on this pair. Given the AUD is highly linked to the Chinese reopening story, this should support this pair but the key risk will also lie in the release of China's 4Q GDP data tomorrow.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9958	3.0170	3.0294	3.0493	3.0588

Source: Bloomberg, HLBB Global Markets Research

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