

16 March 2023

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

USD/MYR opened 0.03% lower at 4.4835 but spiked to 4.5068 at the point of writing. Daily outlook is neutral to slightly bullish on USD strength in safe-haven buying. Moreover, MYR weakened against regional and G10 currencies. Overnight, DXY corrected after challenging the critical resistance 105 level after the release of weak US retail sales and softer than expected PPI. This eased hawkish Fed bets dramatically but even so, global rating giant Moody’s expects the Fed to raise the fed funds rate by 25bps at its March 22 meeting.

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. That said, the SVB jitters could swing this view should it turn into a systemic issue for the global financial markets.

	S2	S1	Indicative	R1	R2
USD/MYR	4.4506	4.4766	4.5068	4.5087	4.5347

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3520 but slid to 1.3510 at the point of writing. Daily outlook is neutral as any sway on this pair will be predominantly USD driven. On the Singapore front, investors will stay pay ahead of the NODX number due to be released tomorrow.

To	S2	S1	Indicative	R1	R2
USD/SGD	1.3442	1.3480	1.3510	1.3535	1.3563

MYR Crosses

SGD/MYR

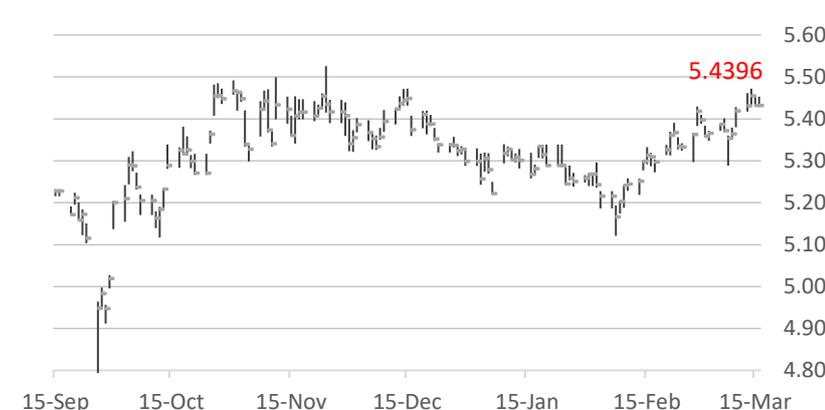


SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.41% lower at 3.3178, spiked to 3.3409 before retreating to 3.3354 at the point of writing. Daily outlook is neutral-to-slightly bullish on SGD strength vis-a-vis regional currencies. The overnight plunge in oil prices also does not bode well for commodity-related MYR.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.3257	3.3295	3.3354	3.3373	3.3410

GBP/MYR



GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.42% lower at 5.4109 but rose to 5.4396 at the point of writing. Daily outlook is neutral-to-slightly bearish as we believe that European currencies will be weighed down by the Credit Suisse fiasco. No doubt, GBP has recovered some ground and floats around 1.2071 after the Swiss central bank stepped in and UK Chancellor attempted to paint a brighter outlook for Britain, saying that the UK economy will avoid a technical recession in 2023.

To	S2	S1	Indicative	R1	R2
GBP/MYR	5.3739	5.3927	5.4396	5.4419	5.4816

AUD/MYR
AUD/MYR Neutral

AUD opened 0.55% lower at 2.9671, recovered slightly to 2.9947 before retracing back to 2.9867 at the point of writing. We are neutral on this pair. While we note the significantly lower opening, AUD has strengthened against its regional peers after the latest employment numbers showed a rebound in hiring and lower unemployment rate of 3.5%.



	S2	S1	Indicative	R1	R2
AUD/MYR	2.9605	2.9732	2.9867	3.0146	3.0421

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