

16 November 2023

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Slightly Bullish

USD/MYR opened 0.05% lower at 4.6700 but quickly rebounded to 4.7078 at the point of writing. Daily outlook is slightly bullish as USD seem to find support in higher UST yields across all maturities following Tuesday's CPI-driven retracement, while on the domestic front, investors appear to be nervous ahead of the release of final 3Q GDP print or profit take after the sharp appreciation in MYR overnight. Next up for this pair will be the weekly jobless claims data on top of IPI and NAHB Housing Market Index.

1-Month Outlook – USD/MYR Neutral-to-Slightly Bullish

The USD/MYR 1-month outlook is neutral-to-slightly bullish. Although the latest Fed dot plot points to one more 25bps Fed hike this year and Fed speaks have remained hawkish, we noted renewed weakness in US economic data and sharper than expected deceleration in inflation. With the latest CPI print coming in lower than expected and retail sales falling m/m for the first time in 7 months, we have scaled down Fed rate hike bets and now expects the Fed funds rate to have peaked at the current 5.25-5.50%. Although expectations for a steady Fed funds rate will exert downward pressure on the USD, haven demand in an uncertain environment will limit downside in the greenback in our view. Meanwhile on the domestic front, 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	4.6592	4.6807	4.7078	4.7130	4.7238

USD/SGD



USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.3504, traded within 1.3491-1.3523 band before settling at 1.3517 at the point of writing. Daily outlook is neutral-to-slightly bullish driven by USD strength overnight as the currency benefit from higher UST yields. This pair will, nonetheless, face resistance at 1.3530 (R1) and 1.3542 (R2).

	S2	S1	Indicative	R1	R2
USD/SGD	1.3478	1.3498	1.3517	1.3530	1.3542

MYR Crosses

SGD/MYR



SGD/MYR Slightly Bullish

SGD/MYR opened 0.09% lower at 3.4609 but quickly climbed higher to 3.4817 at the point of writing. Given the mild retracement in MYR strength, we have a slightly bullish call for this pair, eyeing R1 and R2 at 3.4905 and 3.4983 respectively. Next up for this pair is final 3Q GDPs for both currencies, as well as Singapore's NODX tomorrow. As it is, NODX is expected to remain contractionary but stabilise at -6.0% y/y in October.

5	S2	S1	Indicative	R1	R2
SGD/MYR	3.4531	3.4671	3.4817	3.4905	3.4983

GBP/MYR



GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.32% lower at 5.8042 but quickly erased its losses to trade at 5.8396 at the point of writing. On account of the upper trajectory post opening, we have a neutral-to-slightly bullish call for this pair, with gains seen capped given the sharply lower UK CPI print denting the currency. Upside is however capped at resistance levels of 5.8441 (R1) and 5.8544 (R2) respectively.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.7925	5.8131	5.8396	5.8441	5.8544

AUD/MYR

AUD/MYR Neutral-to-Slightly Bullish



AUD/MYR opened 0.08% higher at 3.0425 and strengthened to 3.0502 at the point of writing. Daily outlook is neutral-to-slightly bullish as strong inflation expectations and employment data this morning provides more impetus to support AUD. Inflation expectations picked up for the first time in 3 months to +4.9% in November, while the economy added more jobs than expected by +55k in October.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0373	3.0426	3.0502	3.0517	3.0554

Source: Bloomberg, HLBB Global Markets Research

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