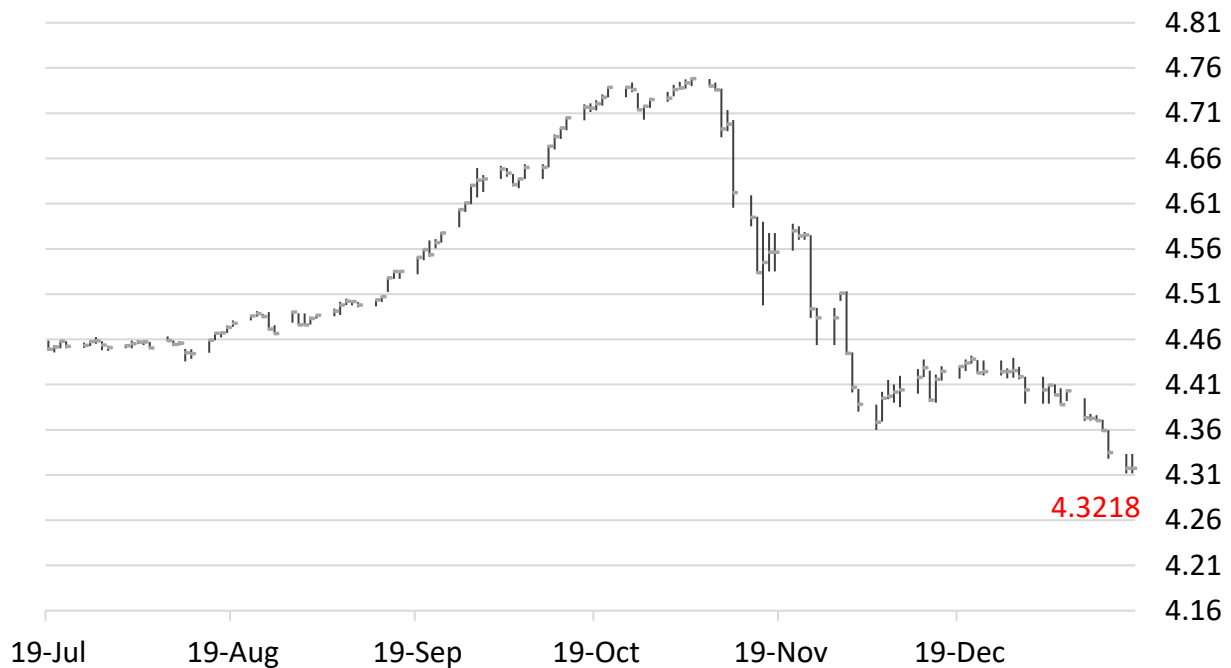


17 January 2023

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

**Intraday Thoughts – Neutral-to-Slightly Bullish**

USD/MYR opened 0.02% higher at 4.3180 and strengthened further to 4.3218 at the point of writing. Daily outlook is neutral to slightly bullish given the upper trajectory post opening. The Dollar Index is displaying some signs of consolidation around 102.00 as investors are expected to make significant positions after the release of the US PPI data, which will be released on Wednesday. As per the consensus, PPI is seen softer at 6.8% while the core PPI is seen declining to 5.9%. Locally, BNM MPC will be key and the downward trajectory in the pair could be more measured should BNM deliver a dovish hike 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. The pair has broken below 4.35 and looks set to head towards 4.20-4.30 next. Budget tabling on 24 February will be the next key domestic event risk to watch.

	S2	S1	Indicative	R1	R2
USD/MYR	4.2898	4.3082	4.3218	4.3442	4.3485

## USD/SGD

### USD/SGD Neutral-to-Slightly bullish



USD/SGD opened flat at 1.3212, dipped to the low of 1.3194 but has since rebounded to 1.3217 at the point of writing after the release of Singapore's NODX data. Daily outlook is neutral-to-slightly bullish for this pair given that we are negative on SGD this morning as the contraction in NODX was worse than expected at -20.6% y/y in December, weighing down on investors sentiment for the currency.

To	S2	S1	Indicative	R1	R2
USD/SGD	1.3166	1.3194	1.3217	1.3254	1.3288

## MYR Crosses

### SGD/MYR

### SGD/MYR Neutral

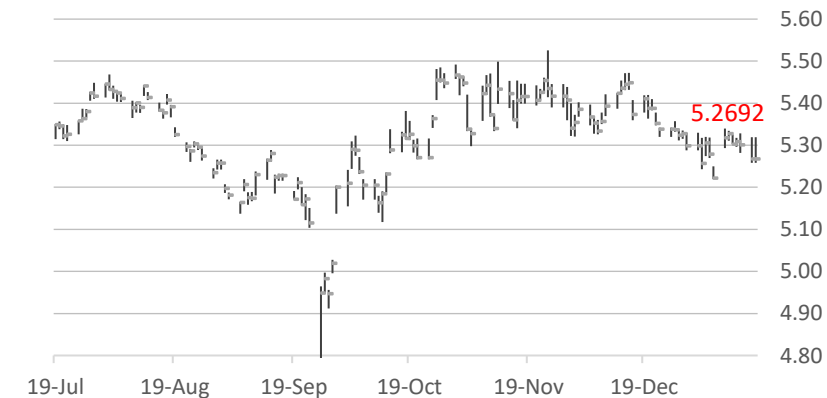


SGD/MYR opened 0.03% higher at 3.2710 but quickly pared its gains to trade at 3.2702 at the point of writing. We are neutral on this pair as we believe that the disappointing Singapore NODX suggests that investors may be similarly cautious with the release of Malaysia's export number on Wednesday, capping any big swings for this pair today.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.2642	3.2680	3.2702	3.2762	3.2801

### GBP/MYR

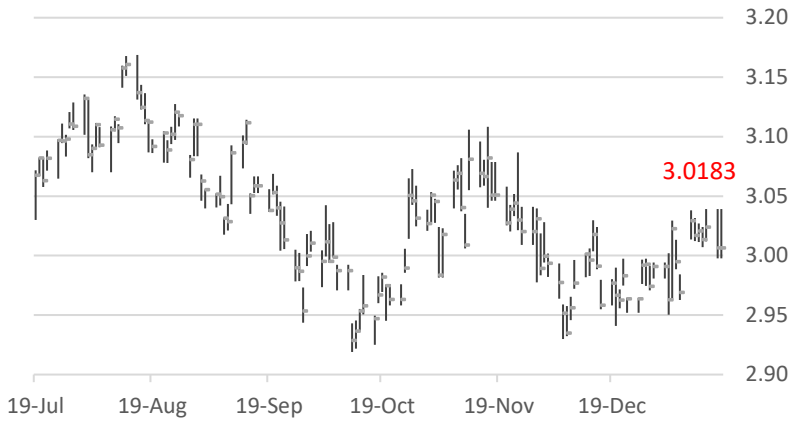
### GBP/MYR Neutral



GBP/MYR opened 0.08% higher at 5.2712 but retreated to 5.2692 at the point of writing. We are neutral on this pair as we believe that investors will stay cautious ahead of Malaysia's export numbers tomorrow as well as UK jobs and inflation data due later this week on the British front.

To	S2	S1	Indicative	R1	R2
GBP/MYR	5.2544	5.2655	5.2692	5.3048	5.3348

### AUD/MYR



### AUD/MYR Slightly Bullish

AUD opened 0.06% higher at 3.0082 and strengthened further to 3.0183 at the point of writing. We are slightly bullish on this pair given the higher opening and upper trajectory subsequent to that as well as on AUD strength vis-à-vis most G10 and regional currencies. AUD will also be supported by the better-than-expected China GDP for 4Q released this morning.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9843	2.9956	3.0183	3.0275	3.0480

Source: Bloomberg, HLBB Global Markets Research

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