

17 March 2023

**Global Markets Research**

**Daily Currency Outlook**

**USD/MYR**



Source: Bloomberg, HLBB Global Markets Research

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

USD/MYR opened flat at 4.5030 and dipped to 4.4955 at the point of writing. Daily outlook is neutral to slightly bearish on USD weakness vis-à-vis G10 and regional currencies. Scepticism for Fed tightening policy has also escalated in light of the latest banking rout, which is a not-so-gentle reminder to many of the 2008 financial crisis. In terms of economic data, key numbers to look out for will be the IPI, Leading and University of Michigan Sentiment indices in the US as well Malaysia’s trade numbers.

**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, which could happen as early as May. This shall help alleviate the pressure on the MYR. That said, the SVB jitters could swing this view should it turn into a systemic issue for the global financial markets.

	<b>S2</b>	<b>S1</b>	<b>Indicative</b>	<b>R1</b>	<b>R2</b>
USD/MYR	4.4595	4.4850	4.4955	4.5148	4.5403

## USD/SGD



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

USD/SGD opened flat at 1.3469, spiked to as high as 1.3476 but quickly pared its gains to 1.3448 at the point of writing. Daily outlook is neutral-to-slightly bearish on weakness in USD.

To	S2	S1	Indicative	R1	R2
USD/SGD	1.3393	1.3421	1.3448	1.3450	1.3493

## MYR Crosses

### SGD/MYR

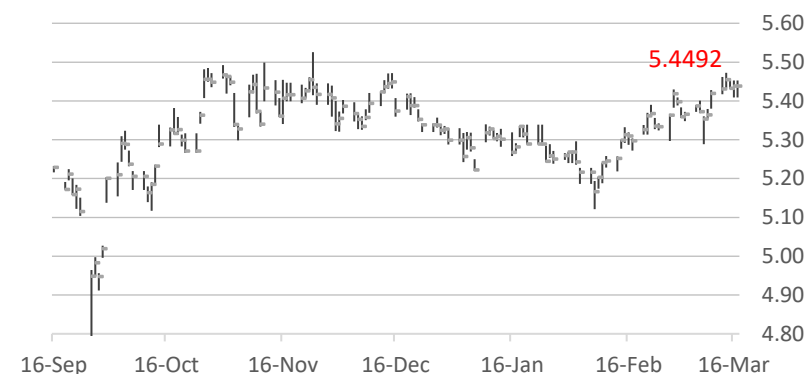


### SGD/MYR Slightly Bearish

SGD/MYR opened 0.09% higher at 3.3454 but dipped to 3.3403 at the point of writing. Daily outlook is slightly bearish on the back of weaker than expected Singapore's NODX data this morning. NODX plunged 8.0% m/m in February, worse than street estimate's -m/m and Jan's +0.9% m/m. Malaysia is expected to release its trade numbers at noon. While exports are expected to accelerate to 4.5% y/y for the month, a downbeat number could swing this pair.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.3309	3.3347	3.3403	3.3422	3.3461

### GBP/MYR



### GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.28% higher at 5.4529 but retreated slightly to 5.4492 at the point of writing. Daily outlook is neutral-to-slightly bullish as GBP has recovered some ground and is floating around 1.2107. The ONS reported a 3% jump in job advertisements for the week ending March 10. To tame the labor shortage, Jeremy Hunt has already announced a tax-free pension allowance so that individuals don't consider early-age retirements.

To	S2	S1	Indicative	R1	R2
GBP/MYR	5.3977	5.4092	5.4492	5.4561	5.4921

**AUD/MYR**

**AUD/MYR Slightly Bullish**

AUD opened 0.28% higher at 3.0008 and strengthened to 3.0016 at the point of writing. Daily outlook is slightly bullish on AUD strength vis-à-vis G10 and regional peers as AUD benefits from the higher-than-expected jump in employment data yesterday. Shu Jueting, a spokesperson at China’s Commerce Ministry also said that China is willing to discuss basic issues that concern both nations, potentially leading to improving China-Australian ties.

	<b>S2</b>	<b>S1</b>	<b>Indicative</b>	<b>R1</b>	<b>R2</b>
AUD/MYR	2.9638	2.9818	3.0016	3.0118	3.0203

Source: Bloomberg, HLBB Global Markets Research

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