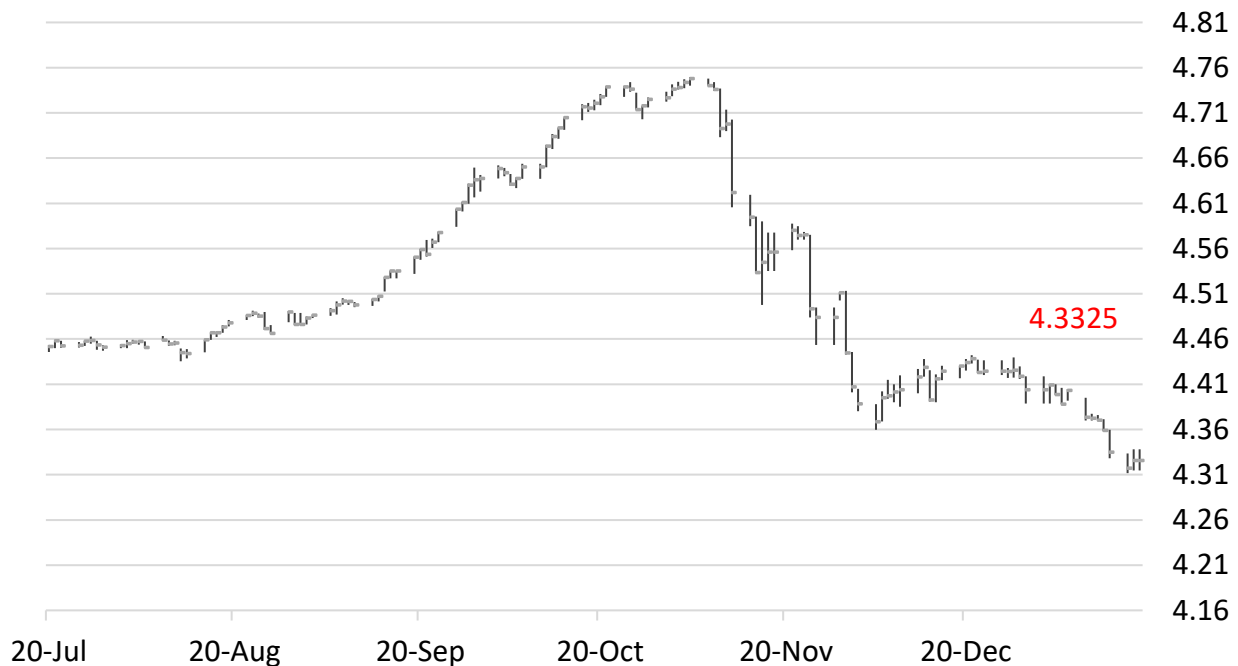


18 January 2023

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% lower at 4.3250 but rebounded slightly to 4.3325 at the point of writing. Daily outlook is neutral to slightly bullish on account that MYR has weakened against most regional and G10 currencies. As it is, we believe that the currency market will be on edge today ahead of BOJ policy decision as well as Malaysia’s trade numbers. Investors will also stay cautious ahead of US PPI due to be released tonight where market is expecting a softening in headline and core prices to 6.8% and 5.9% respectively, supporting expectations that Fed will cool down the pace of policy tightening further.

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	4.2937	4.3147	4.3325	4.3400	4.3445

USD/SGD

USD/SGD Neutral



USD/SGD opened flat at 1.3202 but has since risen and stabilised at the 1.3213 level at the point of writing. Daily outlook is neutral because of this and we do not expect any major sway in this pair today ahead of BOJ's monetary policy decision as well as US PPI data. There will be no catalyst on the SGD front today.

To	S2	S1	Indicative	R1	R2
USD/SGD	1.3154	1.3187	1.3213	1.3251	1.3280

MYR Crosses

SGD/MYR

SGD/MYR Slightly Bullish

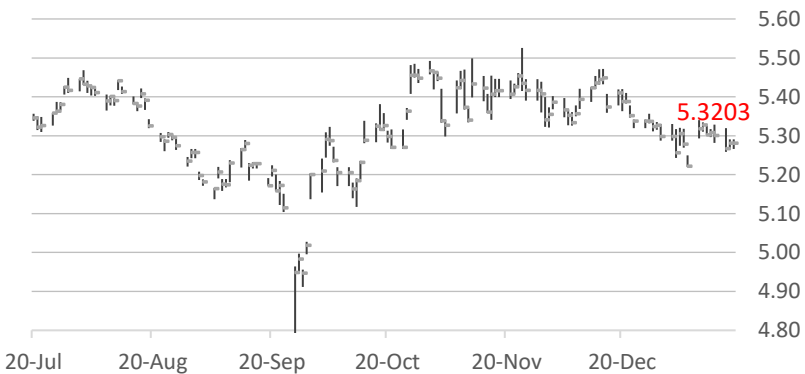


SGD/MYR opened 0.23% higher at 3.2766 and has since risen to 3.2793 at the point of writing. Daily outlook is slightly bullish. Key risk to this pair will be release of Malaysia's trade data due to be released at noon.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.2697	3.2740	3.2793	3.2824	3.2866

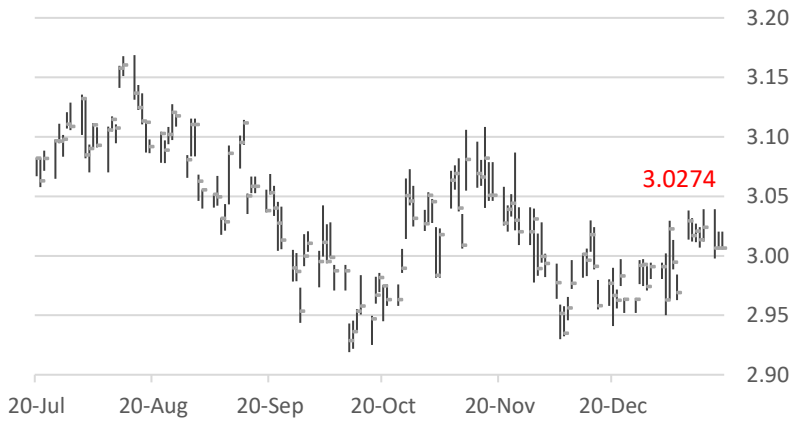
GBP/MYR

GBP/MYR Bullish



GBP/MYR opened 0.59% higher at 5.3118 and strengthened further to 5.3203 at the point of writing. Daily outlook is bullish. GBP/USD has marched higher to recapture the critical resistance of 1.23, dodging the risk-aversion theme as the release of the higher wage growth has accelerated hawkish BoE bets.

To	S2	S1	Indicative	R1	R2
GBP/MYR	5.2651	5.2931	5.3203	5.3333	5.3469

AUD/MYR

AUD/MYR Bullish

AUD opened 0.59% higher at 3.0239 and has since strengthened to 3.0274 at the point of writing. We are bullish because of this, as well as on the back that AUD has appreciated against most G10 and regional currencies, benefitting from better-than-expected China GDP. Australian consumer sentiment also improved for the second consecutive month at 5.0%, vs. 3.0% in December.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9923	3.0113	3.0274	3.0411	3.0505

Source: Bloomberg, HLBB Global Markets Research

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