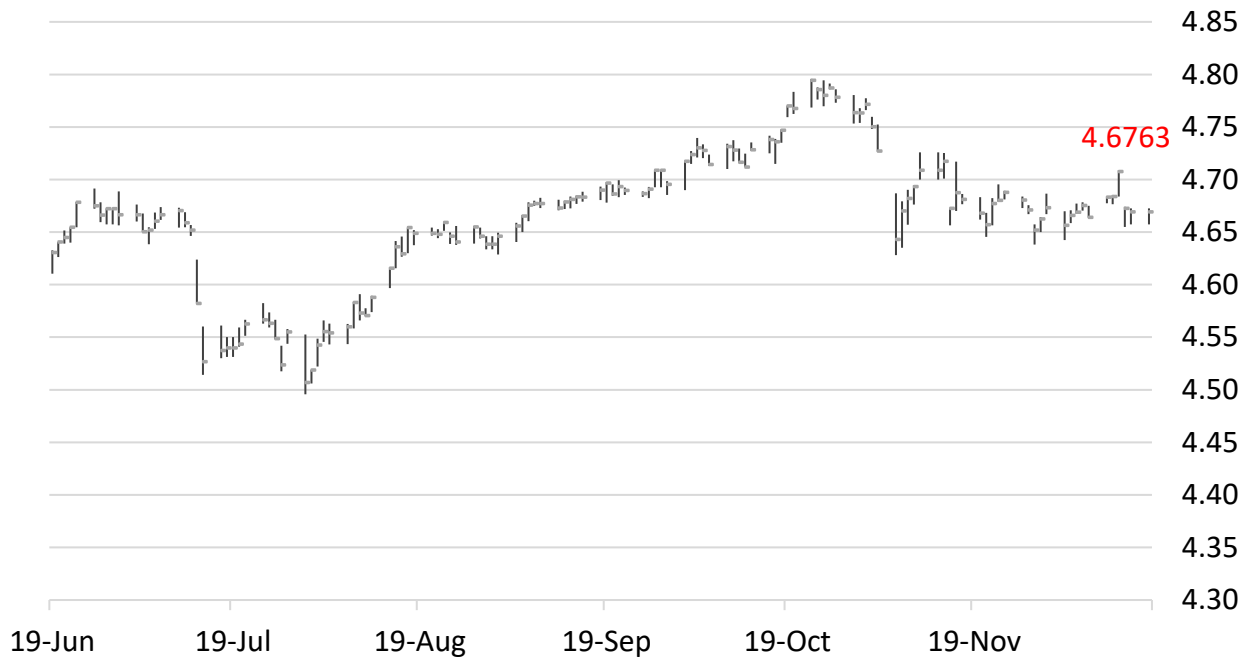


18 December 2023

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

USD/MYR opened 0.20% lower at 4.6600 before erasing all its losses to trade at 4.6763 at the point of writing. Daily outlook is neutral-to-slightly bullish today as DXY holds firm above the 102.55 handle after Fed's John Williams and Austan Goolsbee, pushed back talks of rate cuts early next year, saying that the central bank isn't really talking about rate cuts right now and it's too early to declare victory in the central bank's inflation fight. Data due for release this week includes consumer confidence, housing numbers and more importantly core PE and the final reading of the US 3Q GDP. On the domestic front, we will be looking out for exports and CPI prints.

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

The USD/MYR outlook is neutral-to-slightly bearish in our view, as the USD has recently been more vulnerable as inflation rate continues to ease and after the Fed sent its strongest ever signal that the Fed funds rate have peaked at this level. The latest dot plot also suggests 3 rate cuts (75bps) in 2024 and 4 rate cuts (100bps) in 2025, and this dovish pivot does not bode well for the USD. On the data front, indicators point to softening economic activity but a still decent labour market, reaffirming expectations of a soft landing for the US economy. Domestically, 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	4.6546	4.6654	4.6763	4.6817	4.6871

USD/SGD



USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened 0.21% lower at 1.3299 but quickly pared its losses to trade at 1.3335 at the point of writing. Daily outlook is neutral-to-slightly bullish, primarily driven by expectations of USD strength. This pair had a knee jerk reaction after Singapore's exports registered its first y/y expansion in 14-months, albeit less than expected but quickly recovered subsequent to that, further cementing our slightly bullish outlook.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3269	1.3299	1.3335	1.3347	1.3365

MYR Crosses

SGD/MYR



SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.36% lower at 3.5021 before paring some of its losses to trade at 3.5095 at the point of writing. We have a neutral-to-slightly bearish outlook for this pair on account of the lower opening, but expect losses to narrow throughout the day after SGD strengthened against MYR post-NODX data. As it is, the pair appeared to be trading within the 3.5083-3.5115 range currently.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4948	3.5019	3.5095	3.5147	3.5196

GBP/MYR



GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.81% lower at 5.9167 before paring some of its gains to trade at 5.9318 at the point of writing. We have a neutral-to-slightly bearish outlook for this pair, with the lower opening outweighing GBP strength after still hawkish message by the BOE Governor Andrew Bailey who said there is "still some way to go" in their inflation battle. UK's CPI will be the key risk for this pair this week.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9030	5.9182	5.9318	5.9421	5.9508

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.34% lower at 3.1277 before erasing its gains and rebounded to near its previous close of 3.1382 at the point of writing. As such, we have a neutral outlook for this pair, with the lower opening offset by AUD strength. As it is, AUD/USD pair is hovering around the 0.6700 mark, its highest since July during the early Asian session on Monday. Key risk for this pair will be the minutes to the latest RBA meeting.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1237	3.1305	3.1382	3.1403	3.1437

Source: Bloomberg, HLBB Global Markets Research

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