

19 December 2023

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral

USD/MYR opened 0.10% lower at 4.6902 but pared its losses and more to trade at 4.6985 at the point of writing. Daily outlook is neutral in a tug of war between USD and MYR weakness, eyeing a trading range of 4.6824-4.7025. Trading in DXY has largely been muted overnight in the absence of 1st tier economic data, with key risk today being Malaysia's exports numbers due at noon, where consensus is expecting exports to worsen to -5.2% y/y in November from -4.4% y/y previously. Over on the US side of things, data on deck will be housing indicators-building permits and housing starts.

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	4.6723	4.6824	4.6985	4.7025	4.7125

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3324 before trending down to 1.3319 at the point of writing. Daily outlook is neutral in absence of economic catalyst for the pair, eyeing trading range of 1.3313-1.3327. We will however, be monitoring BOJ's decision for the USD/JPY pair and its impact on the DXY.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3307	1.3313	1.3319	1.3327	1.3336

MYR Crosses

SGD/MYR



SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.10% lower at 3.5236 and slid to 3.5202 at the point of writing. Daily outlook is neutral-to-slightly bearish given the downward trajectory post opening and after the pair approached the overbought territory. The pair, will nonetheless, be supported at 3.5168 (S1) and 3.5136 (S2) respectively.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.5136	3.5168	3.5202	3.5327	3.5422

GBP/MYR

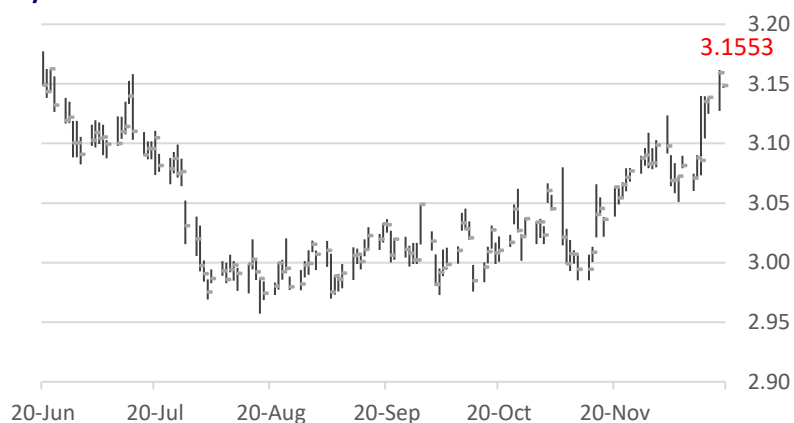


GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.14% lower at 5.9390 and slid to 5.9318 at the point of writing. We prefer to maintain our neutral-to-slightly bearish outlook for this pair given the downward trajectory post opening, but are mindful that Malaysia's export numbers at noon could sway this pair upward or downward.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9207	5.9266	5.9318	5.9440	5.9556

AUD/MYR



AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 0.39% lower at 3.1470 before paring some of its losses to trade at 3.1553 at the point of writing. Daily outlook is neutral-to-slightly bearish due to the lower opening as well as on the fact that AUD/MYR failed to trade above 3.1569 this morning. Losses will be capped after the AUD/USD drifted higher to above 0.6710 following the release of the latest RBA meeting minutes. Accordingly, RBA considered an interest rate hike in its meeting but saw a stronger case for a pause.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1419	3.1479	3.1553	3.1588	3.1635

Source: Bloomberg, HLBB Global Markets Research

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