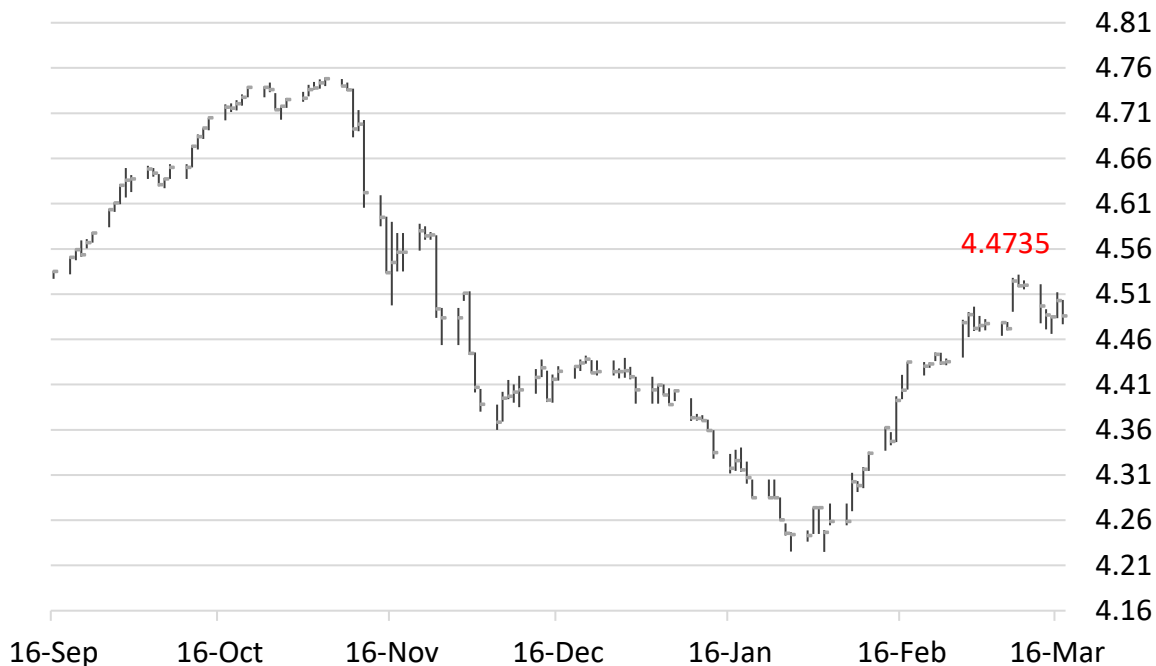


20 March 2023

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bearish

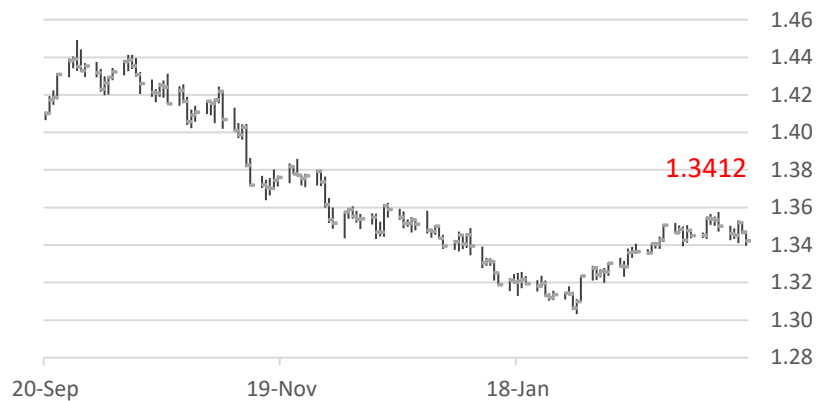
USD/MYR opened 0.32% lower at 4.4715 but edged up slightly to 4.4735 at the point of writing. Daily outlook is neutral to slightly bearish on USD weakness as investors stay cautious ahead of the US banking debacle as well as the FOMC meeting where markets are divided on the Fed's next course of action. More importantly, the Fed quarterly projection and dot plot will be highly scrutinized on the terminal rate. On the domestic front, MYR also strengthened vis-à-vis G10 and regional currencies save the Thai Baht. Key risk to this pair will be Malaysia's trade numbers which has been rescheduled to today.

1-Month Outlook – USD/MYR Neutral

USD/MYR outlook is neutral on the back of a sustained USD torn between possible dampened Fed rate hike/ cut expectations and haven demand given the greenback's dominant position as the world reserves currency. While the US economy has shown signs of resiliency and easing inflation (though inflation has not been tapering off as fast as the Fed would like), recent banking rout triggered by the collapse of regional banks in the US have raised concern over tighter financial conditions and liquidity risks. This may potentially sway the Fed policy tightening path, hence exerting pressure on the USD. On the domestic front, the SVB and financial markets jitters could also dampen the case for further policy normalization by BNM, hence keeping the pair on a neutral outlook.

	S2	S1	Indicative	R1	R2
USD/MYR	4.4620	4.4665	4.4735	4.4972	4.5128

USD/SGD



USD/SGD Neutral-to-Slightly Bearish

USD/SGD opened 0.05% lower at 1.3416 but rebounded to 1.3412 at the point of writing. Daily outlook is neutral-to-slightly bearish on USD weakness as well as SGD strength vis-a-vis most G10 currencies. As mentioned earlier, market is expected to stay cautious amid lingering banking jitters and FOMC policy decisions and forward guidance. On the domestic front, Singapore CPI and industrial production is on the deck this week.

To	S2	S1	Indicative	R1	R2
USD/SGD	1.3363	1.3390	1.3412	1.3444	1.3471

MYR Crosses

SGD/MYR

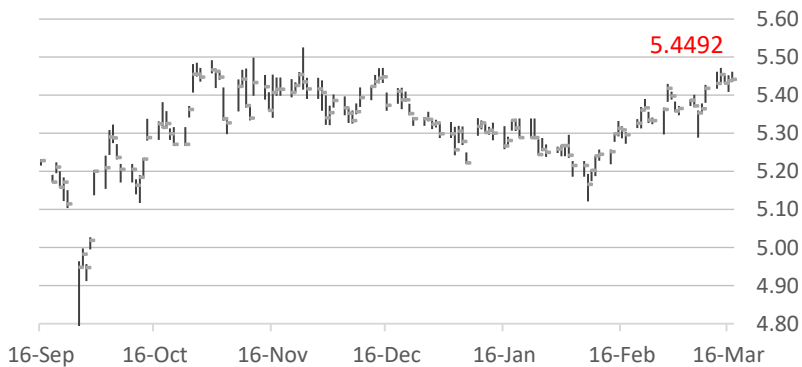


SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.17% higher at 3.3467 but quickly pared its gains to below previous close at 3.3358 at the point of writing. Daily outlook is neutral-to-slightly bearish on prospect of a stronger MYR vis-à-vis SGD today with key risk being Malaysia's exports numbers due to be released this afternoon. February CPI is also scheduled for the week and is expected to reaffirm the case of easing inflation.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.3287	3.3326	3.3358	3.3401	3.3440

GBP/MYR



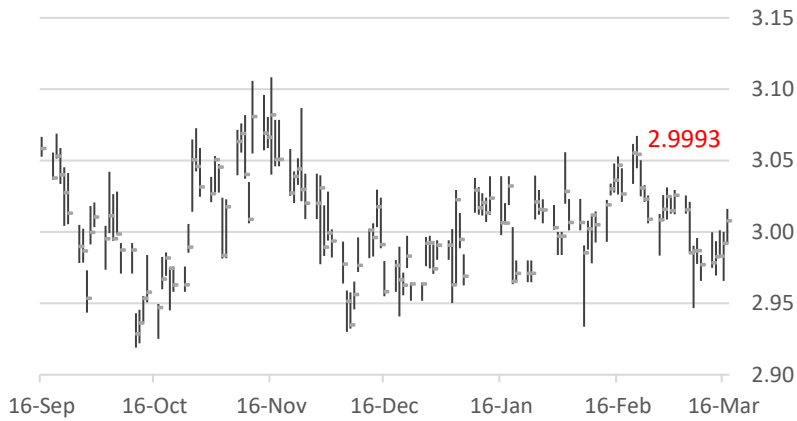
GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.47% higher at 5.4677 but retreated to 5.4492 at the point of writing. Daily outlook is neutral-to-slightly bullish as GBP is gathering strength above the round-level resistance of 1.2200, supported by declining appeal for the USD. This is on the back of rising expectations of a less-hawkish monetary policy by the Fed. On the UK front, investors are awaiting the BOE decision and a 25bps rate hike will push rates to 4.25%.

To	S2	S1	Indicative	R1	R2
GBP/MYR	5.3852	5.4113	5.4492	5.4563	5.4671

AUD/MYR
AUD/MYR Neutral-to-Slightly Bearish

AUD opened 0.10% higher at 3.0120 but pared its gains to trade at 2.9993 at the point of writing. Daily outlook is neutral to slightly bearish as technical have exhibited some bearish signals and amid overall risk-off in the markets that exerted downward pressure on the Aussie. Key risk for this pair this week will be RBA minutes followed by PMIs and Westpac leading index on the data front.



	S2	S1	Indicative	R1	R2
AUD/MYR	2.9527	2.9742	2.9993	3.0076	3.0188

Source: Bloomberg, HLBB Global Markets Research

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