

20 December 2023

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Slightly Bearish

USD/MYR opened 0.03% lower at 4.6768 and slid to 4.6588 at the point of writing. Daily outlook is slightly bearish on the back of lower Treasury yields, while Richmond Fed Thomas Barkin's comments that the Fed would cut rates if inflation keeps falling does not bode well for USD. He, however added that he is looking for data consistency and breath. Meanwhile, Atlanta President Raphael Bostic said that he expects two rate cuts in 2H of 2024. Today, we will be watching out for US consumer confidence and housing 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	4.6390	4.6482	4.6588	4.6730	4.6881

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3284 before trending up at 1.3296 at the point of writing. Despite this, we noted that this pair appear to meet resistance at 1.3302, and as such, we have a neutral outlook for this pair, eyeing trading range between 1.3286-1.3302.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3277	1.3286	1.3296	1.3302	1.3309

MYR Crosses

SGD/MYR



SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.27% higher at 3.5205 before quickly paring all its gains to trade at 3.5034 at the point of writing. Daily outlook is neutral-to-slightly bearish on expectations that the risk on mode due to rising expectations of Fed rate cuts in 2024 will benefit MYR vis-à-vis SGD. The pair is expected to face resistance at 3.5156 (R1) and 3.5273 (R2) respectively.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4901	3.4968	3.5034	3.5156	3.5273

GBP/MYR

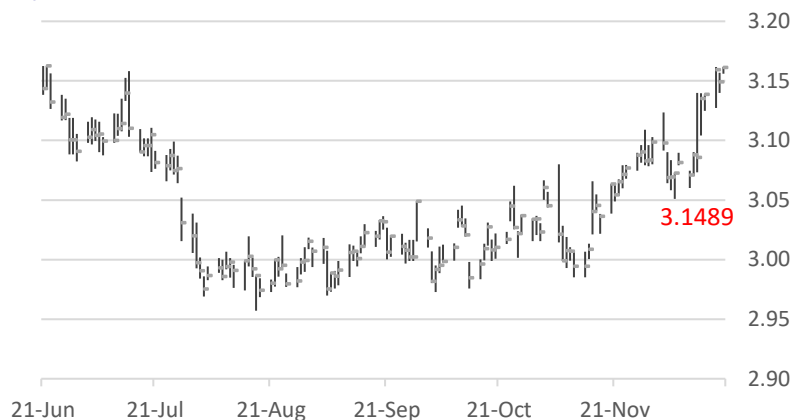


GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.24% higher at 5.9551 before losing its lustre to trade at 5.9270 at the point of writing. Daily outlook is neutral-to-slightly bearish given MYR strength and G10 weakness against regionals. Capping losses is a still hawkish BOE, with Deputy Governor Sarah Breeden commenting that policy must stay restrictive for extended period.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.9011	5.9142	5.9270	5.9477	5.9681

AUD/MYR



AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 0.40% higher at 3.1617 but retreated to 3.1489 at the point of writing. Daily outlook is neutral-to-slightly bearish given AUD weakness against regionals as well as on the back that AUD/USD weakened to 0.6756 at the point of writing. Losses, will nevertheless, be capped by a hawkish RBA where policy minutes showed that policy makers considered raising rates in its latest meeting, but the case to leave the cash rate target unchanged was the “stronger one.”

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1286	3.1372	3.1489	3.1589	3.1716

Source: Bloomberg, HLBB Global Markets Research

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