

21 September 2023

## Global Markets Research

### Daily Currency Outlook

#### USD/MYR



Source: Bloomberg, HLBB Global Markets Research

#### Intraday Thoughts – Slightly Bullish

USD/MYR opened 0.23% higher at 4.6970 but pared some of its gains to trade at 4.6923 at the point of writing. Daily outlook is slightly bullish on USD strength, supported by a hawkish Fed stance at the latest FOMC meeting as well as higher UST yields. Given the yield gap between fed funds and most majors, we expect USD to remain the currency of choice at this juncture especially amidst still solid growth outlook in the US. This pair will meet resistance levels at 4.6998 (R1) and 4.7108 (R2) today and investors are largely looking out for the existing home sales and leading index tonight.

#### 1-Month Outlook – USD/MYR Neutral

The USD/MYR 1-month outlook is neutral despite expectations for one more 25bps hike this year, while expectations for any rate cut are being pushed back to 2H2024. In fact, the latest Fed dot plot showed the median forecast for end-2023, 2024 and 2025 fed funds rate at 5.6%, 5.1% and 3.9% respectively (June: 5.6%, 4.6% and 3.4%). The 50bps upward revision for 2024 and 2025 was attributable to a more solid expansion in economic activities. On the domestic front, BNM dropped the “slightly accommodative” phrase in its latest MPC statement, highlighting that the prevailing OPR level is consistent with the current assessment of the inflation and growth outlook. This reaffirmed our view for an extended pause in the OPR at 3.00% for the rest of the year and will cap MYR strength.

	S2	S1	Indicative	R1	R2
USD/MYR	4.6778	4.6820	4.6923	4.6998	4.7108

## USD/SGD

### USD/SGD Slightly Bullish



USD/SGD opened flat at 1.3653 and strengthened to 1.3674 at the point of writing. Daily outlook is slightly bullish on the back of USD strength today and in absence of economic data on the Singapore front. This pair will meet resistance levels at 1.3698 and 1.3759 respectively.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3576	1.3614	1.3674	1.3698	1.3759

## MYR Crosses

### SGD/MYR

### SGD/MYR Slightly Bearish



SGD/MYR opened 0.20% lower at 3.4298 but pared some of its losses to trade at 3.4312 at the point of writing. Daily outlook is slightly bearish on account of the lower opening as well as on the back that MYR fared better against regionals vis-à-vis SGD today. This pair will be supported at 3.4264 (S1) and 3.4159 (S2) respectively with an eye for Malaysia's CPI due tomorrow.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4159	3.4264	3.4312	3.4420	3.4474

### GBP/MYR

### GBP/MYR Slightly Bearish



GBP/MYR opened 0.37% lower at 5.7767 but pared some of its losses to trade at 5.7822 at the point of writing. Daily outlook is slightly bearish on GBP weakness after its headline inflation unexpectedly decelerated to 6.7% y/y in August, dampening expectations of more rate hikes by the BOE.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.7632	5.7808	5.7822	5.8185	5.8386

## AUD/MYR



## AUD/MYR Slightly Bearish

AUD/MYR opened 0.51% lower at 3.0163 and slid further to 3.0133 at the point of writing. Daily outlook is slightly bearish on AUD weakness, in line with CNH after PBoC left its 1Y and 5Y loan prime rates unchanged.

A	S2	S1	Indicative	R1	R2
AUD/MYR	2.9683	2.9953	3.0133	3.0372	3.0425

Source: Bloomberg, HLBB Global Markets Research

**Hong Leong Bank Berhad**

Fixed Income &amp; Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: [HLMarkets@hlbb.hongleong.com.my](mailto:HLMarkets@hlbb.hongleong.com.my)**DISCLAIMER**

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