

22 September 2023

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral

USD/MYR opened 0.17% lower at 4.6855 but pared some of its losses to trade at 4.6908 at the point of writing. Daily outlook for the pair is neutral, as it continues to remain stuck in a narrow range in trading this week. Malaysia August CPI is due for release at noon and will drive trading in the pair during Asian hours today. Some resistance can be seen at 4.6913, with stronger resistance above at 4.6992, whilst support for the pair today is at 4.6835.

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	4.6756	4.6835	4.6908	4.6913	4.6992

USD/SGD

USD/SGD Neutral

USD/SGD opened flat at 1.3666 and edged up to 1.3670 at the point of writing. Daily outlook for the pair is neutral, and trading today will be dictated by USD/ASIA in general, in the absence of economic data on the Singapore front. Some support can be seen at 1.3645 below, whilst resistance topside comes in at 1.3693



	S2	S1	Indicative	R1	R2
USD/SGD	1.3576	1.3645	1.3670	1.3693	1.3768

MYR Crosses

SGD/MYR

SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.06% higher at 3.4325 but pared its gains to trade at yesterday's closing level of 3.4303 at the point of writing. Daily outlook is neutral-to-slightly bearish we feel, with support seen at 3.4232 below. Malaysia's CPI due at noon today may also influence trading in the cross today.



	S2	S1	Indicative	R1	R2
SGD/MYR	3.4162	3.4232	3.4303	3.4387	3.4472

GBP/MYR

GBP/MYR Slightly Bearish

GBP/MYR opened 0.02% higher at 5.7696 but was better offered with the cross tumbling to 5.7574 at the point of writing. Daily outlook is slightly bearish on GBP weakness after the Bank of England unexpectedly chose to maintain interest rates in a tight 5-4 vote. Some support can be seen at 5.7454 (S1) but more significant support only comes in at 5.7156 (S2)



	S2	S1	Indicative	R1	R2
GBP/MYR	5.7156	5.7454	5.7554	5.7752	5.7867

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.09% higher at 3.0090 but pared some of its losses to stand at 3.0070 at the point of writing. Daily outlook for the cross in neutral-to-slightly bullish on expected AUD strength, after the preliminary Australian composite PMI for September showed an expansion from the month before.

A	S2	S1	Indicative	R1	R2
AUD/MYR	2.9847	2.9954	3.0070	3.0111	3.0218

Source: Bloomberg, HLBB Global Markets Research

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