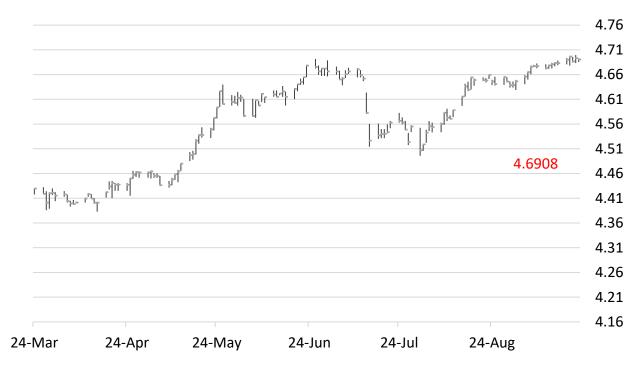


22 September 2023

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

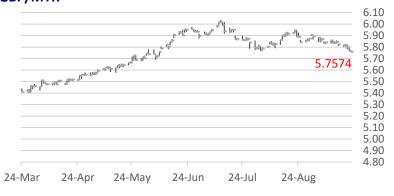


SGD/MYR Neutral-to-Slightly Bearish

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.

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

Source: Bloomberg, HLBB Global Markets Research



Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets Level 8, Hong Leong Tower 6, Jalan Damanlela Bukit Damansara 50490 Kuala Lumpur Tel: 603-2081 1221

Tel: 603-2081 1221 Fax: 603-2081 8936

Email: <u>HLMarkets@hlbb.hongleong.com.my</u>

DISCLAIMER

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter.

Potential and actual conflict of interest may arise from the activities of HLB Group. HLB Group constitute a diversified financial services group. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and other activities for their own account or the account of others. In the ordinary course of their business, HLB Group may effect transactions for their own account or for the account of their customers and hold long or short positions in the financial instruments. HLB Group, in connection with its business activities, may possess or acquire material information about the financial instruments. Such activities and information may involve or have an effect on the financial instruments. HLB Group have no obligation to disclose such information about the financial instruments or their activities.

The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favorable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.