

22 November 2023

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

USD/MYR opened 0.02% lower at 4.6563 but rebounded to 4.6643 at the point of writing. Daily outlook is neutral-to-slightly bullish, mirroring DXY's performance post the release of FOMC minutes, where participants noted that further tightening of monetary policy would be appropriate if progress toward the inflation target was insufficient. Markets will now turn focus on the jobless claims data and Michigan consumer sentiment, before trading in the forex markets is expected to turn tamer given the Thanksgiving holiday.

1-Month Outlook – USD/MYR Neutral-to-Slightly Bullish

The USD/MYR 1-month outlook is neutral-to-slightly bullish. Although the latest Fed dot plot points to one more 25bps Fed hike this year and Fed speaks and the latest FOMC minutes have remained hawkish, we noted renewed weakness in US economic data and sharper than expected deceleration in inflation. With the latest CPI print coming in lower than expected and retail sales falling m/m for the first time in 7 months, we have scaled down Fed rate hike bets and now expects the Fed funds rate to have peaked at the current 5.25-5.50%. Although expectations for a steady Fed funds rate will exert downward pressure on the USD, haven demand in an uncertain environment will limit downside in the greenback in our view. Meanwhile on the domestic front, 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	4.6516	4.6607	4.6643	4.6744	4.6791

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3385, slid to 1.3371 before rebounding to 1.3375 post the final Singapore's 3Q GDP. We have a neutral view for this pair, eyeing a trading range of 1.3369-1.3392, with USD supported by the FOMC minutes and SGD, the better-than-expected 3Q numbers.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3357	1.3369	1.3383	1.3392	1.3404

MYR Crosses

SGD/MYR



SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.15% lower at 3.4776 before paring all its losses and more to 3.4897 at the point of writing. Daily outlook is neutral-to-slightly bullish as SGD strengthened against its regional after the 3Q numbers. Upside will however be capped by resistance levels of 3.4910 (R1) and 3.4967 (R2).

5	S2	S1	Indicative	R1	R2
SGD/MYR	3.4719	3.4786	3.4897	3.4910	3.4967

GBP/MYR



GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.10% higher at 5.8415 and strengthened to 5.8474 at the point of writing. Daily outlook is slightly bullish on account as firm GBP/USD above 1.2530 level this morning. Overnight, BOE Catherine Mann said further interest rate hikes were warranted as holding the base rate at its current 5.25% could risk inflation getting stuck above the 2% target. The Government also announce the largest ever cash increase to the minimum wage, keeping inflation pressure, interest rate hikes in place and supporting GBP.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.8277	5.8369	5.8474	5.8557	5.8651

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened flat at 3.0543 before rebounding to 3.0578 at the point of writing. Daily outlook is neutral-to-slightly bullish after RBA Governor Michelle Bullock's comments that taming inflation remains a crucial challenge over the next 1-2 years and continued to support the AUD. Capping gains will be the decline in the Westpac Leading Index this morning, pointing to weaker growth outlook ahead.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0433	3.0507	3.0578	3.0654	3.0727

Source: Bloomberg, HLBB Global Markets Research

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