

22 December 2023

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Slightly Bearish

USD/MYR opened flat at 4.6545 and plunged to as low as 4.6150 in morning trading, but pared some of its losses to trade at 4.6325 at the point of writing. Daily outlook is slightly bearish on account of the overnight weakness in the greenback, and strong selling earlier this morning by foreign names. Key risk today domestically is the scheduled release of November CPI at noon, which should add some further volatility on any surprises. Over on the US side of things, the focus will be on the core PCE number in the monthly personal income and spending releases that are due for release tonight.

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	4.5963	4.6142	4.6325	4.6525	4.6727

USD/SGD



USD/SGD Neutral-to-Slightly Bearish

USD/SGD opened flat at 1.3263, and traded up slightly to 1.3266 at the point of writing. Daily outlook is neutral-to-slightly bearish on USD weakness in the absence of any economic catalysts for the pair. We expect a trading range of 1.3238 (S1) to 1.3288 (R1) in Asian/London hours today before the key US price data tonight.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3201	1.3238	1.3266	1.3288	1.3312

MYR Crosses

SGD/MYR



SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.27% higher at 3.5087 and subsequently plunged to 3.4920 at the point of writing. Daily outlook for the cross is neutral-to-slightly bearish given the downward trajectory post-opening on the heavy USD/MYR selling. Decent support for the pair is expected around the 3.4777 (S1) area should the descent continue during the day.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4635	3.4777	3.4920	3.5079	3.5238

GBP/MYR

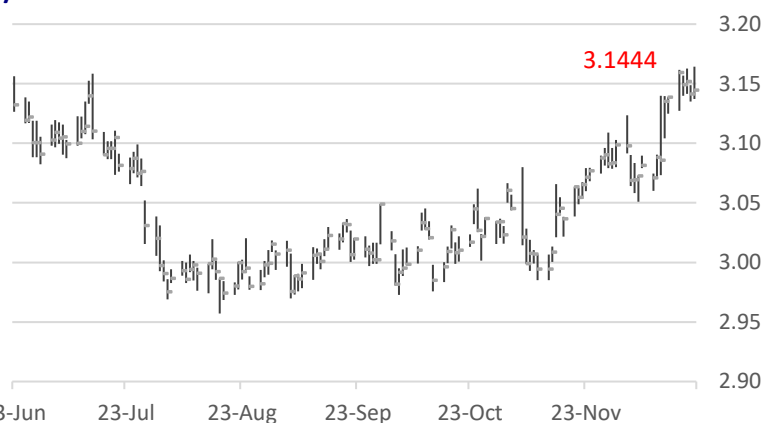


GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.42% higher at 5.9037 but pared all its gains to 5.8759 at the point of writing. We are neutral-to-slightly bearish on this cross today given the downward trajectory post the opening. UK retail sales for November, and the final revision for UK 3Q GDP is due later today and could influence trading in the cross.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.8314	5.8536	5.8759	5.9014	5.9268

AUD/MYR



AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 0.71% higher at 3.1634 before paring most of its losses to trade at 3.1444 at the point of writing. Daily outlook is neutral-to-slightly bearish on the rejection of the higher open this morning and decent buying of MYR earlier today. Support for the pair comes in at 3.1329 (S1) today, while some resistance above is seen at 3.1486 (R1).

	S2	S1	Indicative	R1	R2
AUD/MYR	3.1214	3.1329	3.1444	3.1486	3.1601

Source: Bloomberg, HLBB Global Markets Research

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