23 February 2023

# Global Markets Research

## Daily Currency Outlook

### USD/MYR


*Source: Bloomberg, HLBB Global Markets Research*

**Intraday Thoughts – Neutral-to-Slightly Bearish**

USD/MYR opened 0.03% higher at 4.4450 but retreated to 4.4330 at the point of writing. Daily outlook is neutral-to-slightly bearish given the lower trajectory. MYR strengthened vis-à-vis G10 and regional currencies in the past day. Investors and traders will also stay cautious ahead of the US Personal Consumption Expenditure (PCE) inflation data due to be released on Friday. Key risk to this pair will be geopolitical fears surrounding China and Russia which could trigger flight to risk-safety and thus, the Dollar. On the domestic front, the retabling of Budget 2023 and the fiscal outlook remained in focus.

**1-Month Outlook – USD/MYR Neutral**

USD/ MYR outlook is neutral as the USD may still be supported by hawkish Fed rhetoric although the Fed pivoted to a slower 25bps hike at the latest FOMC meeting just concluded on 1 February. The committee added that the extent of future increases will depend on a number of factors, including cumulative tightening of monetary policy. As it is, we expect more hikes are in store, but the end of the hiking cycle may be in sight. There is no change in our view that the Fed will increase its fed funds rate by another 25bps to 4.75%-5.00% at its March meeting, although expectations are rising again for more aggressive hikes after the hefty January NFP job creation cemented the case of a solid labour market, higher than expected CPI and upside surprises in US retail sales.

| | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| USD/MYR | 4.4120 | 4.4280 | 4.4330 | 4.4483 | 4.4643 |

## USD/SGD


### USD/SGD Neutral

USD/SGD opened flat at 1.3405 and was seen hovering at 1.3402 at the point of writing. Daily outlook is neutral. While we note that SGD has mostly weakened against the G10 currencies, SGD bulls may get a boost from the inflation report due today. As it is, inflation is forecasted to jump to 5.7%, increasing the possibility of MAS further tightening its exchange rate policy in April.

| To | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| USD/SGD | 1.3335 | 1.3367 | 1.3402 | 1.3421 | 1.3449 |

# MYR Crosses

## SGD/MYR


### SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.07% lower at 3.3147 and fell further to 3.3074 at the point of writing. Daily outlook is neutral-to-slightly bearish given the lower opening and downward trajectory subsequent to that. Singapore's CPI data as well as retabling of Malaysia's Budget 2023 remained in focus.

| To | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| SGD/MYR | 3.3006 | 3.3044 | 3.3074 | 3.3127 | 3.3166 |

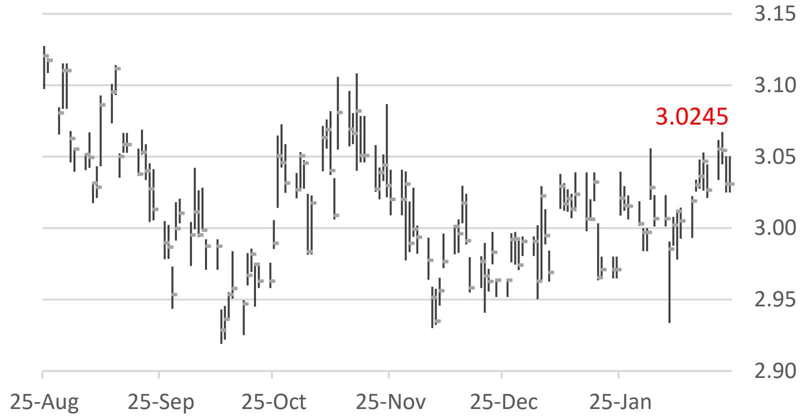
## GBP/MYR


### GBP/MYR Slightly Bearish

GBP/MYR opened 0.26% lower at 5.3537 and trended lower to 5.3430 at the point of writing. Daily outlook is slightly bearish. GBP has weakened against most of its G10 peers overnight and seemed to be struggling post the preliminary PMI manufacturing which has remained below the 50-threshold.

| | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| GBP/MYR | 5.3067 | 5.3311 | 5.3430 | 5.3695 | 5.3950 |

## AUD/MYR




| | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| AUD/MYR | 2.9965 | 3.0190 | 3.0245 | 3.0514 | 3.0739 |

*Source: Bloomberg, HLBB Global Markets Research*

**AUD/MYR Slightly Bearish**

AUD opened 0.15% lower at 3.0271 and slipped to 3.0245 at the point of writing. Daily outlook is slightly bearish given the downbeat prints of Australia's Wage Price Index for the Q4 joined by softer Q4 Construction Work Done and unimpressive Westpac Leading Index for January that weighed down on AUD/USD.

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