

23 November 2023

## Global Markets Research

### Daily Currency Outlook

#### USD/MYR



Source: Bloomberg, HLBB Global Markets Research

#### Intraday Thoughts –Slightly Bullish

USD/MYR opened 0.22% higher at 4.6875 and strengthened to 4.6883 at the point of writing. Daily outlook is slightly bullish after the Dollar gained and emerging currencies are expected to stall after strong US economic data tempered Fed cut bets in March. Overnight, the University of Michigan's year-ahead inflation expectations rose to its highest reading since April at 4.5%, while long-run inflation expectations accelerated to 3.2%, a reading last seen in 2011. Initial jobless claims also fell by the most since June by -24k to 209k for the week ended November 18, the first drop in 2 months.

#### 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	4.6199	4.6459	4.6883	4.6979	4.7239

## USD/SGD



### USD/SGD Neutral

USD/SGD opened flat at 1.3419, traded lightly within 1.3413-1.3419 range before settling at 1.3417 at the point of writing. We expect this trend to continue for the rest of the day, with trading largely subdued ahead of the Thanksgiving Day holiday in the US. With this, we have a neutral view for this pair, eyeing a trading range between 1.3411 and 1.3434.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3400	1.3411	1.3417	1.3434	1.3445

## MYR Crosses

### SGD/MYR



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

SGD/MYR opened 0.05% lower at 3.4850 before jumping to 3.4943 at the point of writing. Daily outlook is neutral-to-slightly bullish as SGD appeared to fare better among regional peers, probably supported by expectations that October core and headline inflation will accelerate to 3.1% and 4.5% when the data is released today.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4811	3.4876	3.4943	3.4977	3.5012

### GBP/MYR



### GBP/MYR Neutral

GBP/MYR opened 0.31% lower at 5.8413 before paring some of its losses to trade at 5.8648 at the point of writing. Daily outlook is neutral given weakness in both currencies this morning. On the British front, GBP tumbled after the Autumn statement revealed a disappointed GDP growth forecast and after IFS said that the depth of austerity plan is implausible.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.8350	5.8472	5.8648	5.8658	5.8720

## AUD/MYR



## AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.18% lower at 3.0599 before paring all its losses to trade at 3.0777 at the point of writing. Daily outlook is neutral-to-slightly bullish on AUD strength and the upper trajectory post opening, eyeing R1 and R2 at 3.0795 and 3.0842 respectively. The S&P PMIs released this morning, meanwhile, deteriorated further for both the manufacturing and services sectors and could cap gains for AUD. Next up in the retail sales data next week.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0548	3.0644	3.0777	3.0795	3.0842

Source: Bloomberg, HLBB Global Markets Research

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