

24 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 0.04% higher at 4.6820 and strengthened to 4.6825 at the point of writing. We expect thin trades today, amidst low volatility and lack of fresh buying interest in view of the Thanksgiving holiday in the US. However, the extended weakness in oil prices could weigh on the MYR, thus our neutral-to-slightly bullish outlook for this pair. Resistance lies at 4.6875 (R1) and 4.6880 (R2) respectively.

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	4.6790	4.6813	4.6825	4.6857	4.6880

USD/SGD



USD/SGD Neutral

USD/SGD opened 0.01% higher at 1.3410, traded within the 1.3396-1.3416 range before settling at 1.3406 at the point of writing. Daily outlook is neutral, eyeing trading range between 1.3391-1.3423 and all eyes on Singapore's IPI today. As it is, market is expecting the contraction to widen slightly to -2.3% y/y in October.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3375	1.3391	1.3406	1.3423	1.3440

MYR Crosses

SGD/MYR



SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.13% lower at 3.4900 before paring some of its losses to trade at 3.4934 at the point of writing. Daily outlook is neutral-to-slightly bullish on SGD strength, benefitting from yuan strength that spilled over to Asian FX like SGD and AUD. On top of Singapore's IPI, Malaysia's inflation number is expected to be released today and expectation is that it will stabilise at 1.9%.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4820	3.4879	3.4934	3.4997	3.5056

GBP/MYR



GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.21% lower at 5.8655 before paring its gains to trade at 5.8701 at the point of writing. Daily outlook is neutral-to-slightly bullish as GBP strengthened against regional currencies, supported by higher gilt yields after UK PMIs exceeded estimates and money markets trimmed central bank easing wagers.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.8551	5.8677	5.8701	5.8779	5.8855

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.03% lower at 3.0704 before rebounding to 3.7329 at the point of writing. Daily outlook is neutral-to-slightly bullish on AUD strength, supported by fresh Chinese stimulus plan which boosted market sentiment for the currency. Negating this will be the disappointing Australia PMI data overnight, and as such, we expect this pair to face resistance at 3.0796 (R1) and 3.0852 (R2).

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0628	3.0684	3.0739	3.0796	3.0852

Source: Bloomberg, HLBB Global Markets Research

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