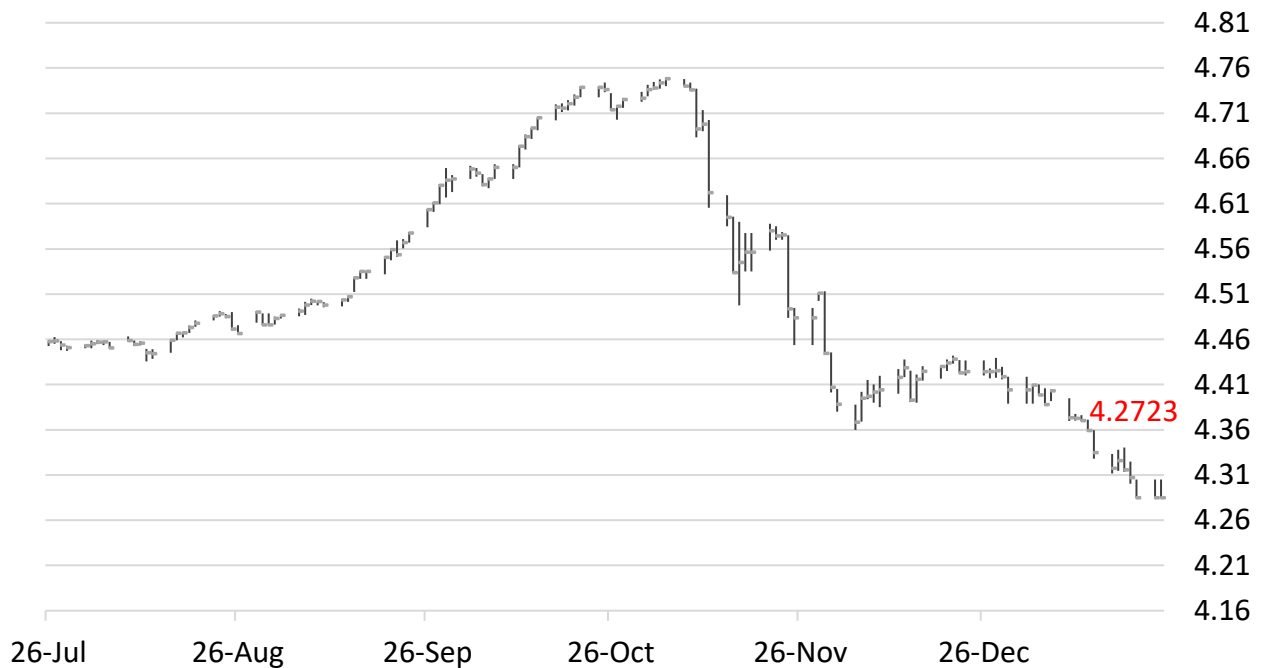


25 January 2023

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Slightly Bearish

USD/MYR opened 0.02% lower at 4.2840 and dipped to 4.2723 at the point of writing. Daily outlook is slightly bearish given a resilient MYR vis-a-vis all regional and most G10 currencies, save the AUD. In the absence of economic catalyst on the domestic front, key indicators to watch out for include US advance 4Q GDP, core-PCE prices, leading index, capital and durable goods order as well as new and pending home sales due to be released this week.

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

USD/ MYR outlook is skewed to the bearish side amid expectations of further retreat in the USD. The smaller but expected 50bps Fed rate hike in December, and reaffirmation from Fed Chair Powell that the Fed will slow the pace of rate hike marks the beginning of Fed policy pivot, and shall continue to dampen USD outlook going forward, hence benefitting the G10s and other EM currencies. Abatement in local political noises and favorable economic fundamentals domestically should also keep the MYR supported. The pair has broken below 4.35 and looks set to head towards 4.20 next. Budget tabling on 24 February will be the next key domestic event risk to watch.

| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| USD/MYR | 4.2560 | 4.2675 | 4.2723 | 4.2838 | 4.2845 |

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3196 and has remained stable at 1.3197 at the point of writing. We are neutral on this pair on the back of absence of major US economic data tonight which would sway the pair. Key risk will be Singapore's CPI number due to be released at 1pm today. Inflation rate is expected to ease slightly to 6.6% in December from 6.7% previously.

| To | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| USD/SGD | 1.3123 | 1.3155 | 1.3197 | 1.3214 | 1.3424 |

MYR Crosses

SGD/MYR

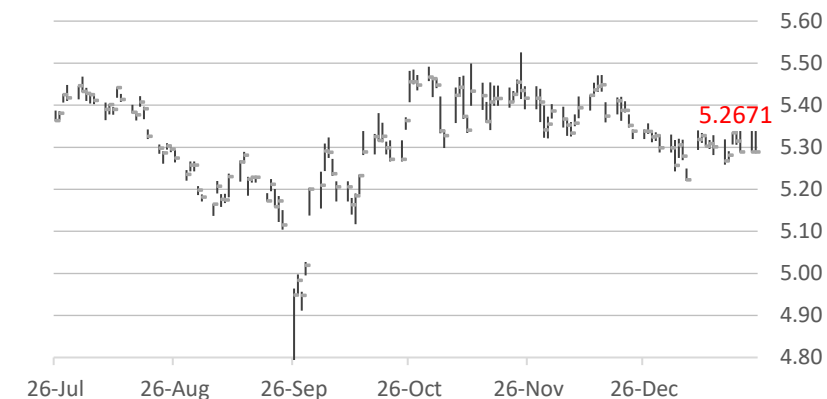


SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.20% higher at 3.2474 but quickly pared its gains to trade at 3.2404 at the point of writing. This is a shade lower than its previous close. Daily outlook is neutral-to-slightly bearish given MYR's strength as well as SGD weakness against most regional and G10 currencies. As mentioned earlier, key risk will be Singapore's CPI number and this could sway the pair should inflation comes above or below expectations.

| To | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| SGD/MYR | 3.2333 | 3.2364 | 3.2404 | 3.2446 | 3.2488 |

GBP/MYR



GBP/MYR Slightly Bearish

GBP/MYR opened 0.09% lower at 5.2838 and plunged to 5.2671 at the point of writing. Daily outlook is slightly bearish amid a softer sterling as the GBP weakened against most G10 and regional currencies save the NZD and PHP. Investors will also await the release of December's PPI data on the British front. Expectations is that core PPI output will edge higher to 13.9%.

| To | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| GBP/MYR | 5.2449 | 5.2566 | 5.2671 | 5.2922 | 5.3147 |

AUD/MYR



AUD/MYR Bullish

AUD opened 1.65% higher at 3.0199 and strengthened further to 3.0333 at the point of writing. Daily outlook is bullish given that AUD has strengthened against all its regional and G10 peers. Australia's inflation data released this morning also accelerated above expectations, bolstering further RBA rate hikes and supporting AUD today.

| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| AUD/MYR | 2.9835 | 3.0080 | 3.0333 | 3.0465 | 3.0588 |

Source: Bloomberg, HLBB Global Markets Research

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