

26 January 2023

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Slightly Bearish

USD/MYR opened 0.13% lower at 4.2550 and slipped further to 4.2475 at the point of writing. Daily outlook is slightly bearish because of this as well as on the back that USD has weakened against most regional currencies, while MYR has traded otherwise. As it is, we believe that investors will also be hesitant to make big bets today ahead of this week’s key economic data, which include the 4Q GDP and core-PCE prices.

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	4.1727	4.2430	4.2475	4.2733	4.2933

USD/SGD

USD/SGD Neutral-to-Slightly Bearish



USD/SGD opened relatively flat at 1.3132, dipped to its low of 1.3182 before retracing to 1.3124 at the point of writing. Daily outlook is neutral to slightly bearish given the lower trajectory post opening. Key risk to this pair will be today will be Singapore's IPI number due to be released at 1pm today which could sway the pair. As it is, expectations it that the y/y contraction would worsen to -6.9% in December from -3.2% previously.

To	S2	S1	Indicative	R1	R2
USD/SGD	1.3074	1.3101	1.3124	1.3153	1.3180

MYR Crosses

SGD/MYR

SGD/MYR Neutral



SGD/MYR opened 0.31% higher at 3.2488 but pared its earlier gains to trade at 3.2393 at the point of writing. This is only a shade higher than previous close and as such, daily outlook is neutral. In the absence of catalyst on the domestic front, we will be watching Singapore's IPI data closely.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.2296	3.2339	3.2393	3.2421	3.2862

GBP/MYR

GBP/MYR Slightly Bullish



GBP/MYR opened 0.83% higher at 5.2873 but retreated slightly to 5.2677 at the point of writing. We are slightly bullish on this pair given the higher opening but we expect any gains to be capped given that GBP weakened has against regional currencies in the past day. The cooler PPI and PMI data in the UK has also raised speculations on how much BOE could tighten ahead of its MPC meeting next week.

To	S2	S1	Indicative	R1	R2
GBP/MYR	5.2440	5.2563	5.2677	5.2967	5.3088

AUD/MYR



AUD/MYR Neutral-to-Slightly Bearish

AUD opened 0.25% higher at 3.0286 but quickly retreated to below its previous close at 3.0199 at the point of writing. AUD has also weakened vis-à-vis regional and G10 currencies, and as such, we have a neutral-to-slightly bearish outlook on this pair. As it is, AUD/USD has paused the four-day uptrend around the highest level since August 2022 as it makes rounds to 0.7100.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9835	2.9960	3.0199	3.0283	3.0510

Source: Bloomberg, HLBB Global Markets Research

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