

26 September 2023

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

USD/MYR opened 0.09% lower at 4.6823 but rebounded to 4.6865 at the point of writing. Daily outlook is neutral-to-slightly bullish as USD continues to glitter at the 106-handle, supported by higher for longer stance from the FOMC which sent UST yields spiralling upwards the past week. Gains could nevertheless be capped at 4.6890 (R1) and 4.6916 (R2) amidst a slew of disappointing regional Fed indices as well as Moody's warning that government shutdown could hurt US' credit rating. More US regional activity indices are on deck tonight on top of housing indicators.

1-Month Outlook – USD/MYR Neutral

The USD/MYR 1-month outlook is neutral despite expectations for one more 25bps hike this year, while expectations for any rate cut are being pushed back to 2H2024. In fact, the latest Fed dot plot showed the median forecast for end-2023, 2024 and 2025 fed funds rate at 5.6%, 5.1% and 3.9% respectively (June: 5.6%, 4.6% and 3.4%). The 50bps upward revision for 2024 and 2025 was attributable to a more solid expansion in economic activities. On the domestic front, BNM dropped the "slightly accommodative" phrase in its latest MPC statement, highlighting that the prevailing OPR level is consistent with the current assessment of the inflation and growth outlook. This reaffirmed our view for an extended pause in the OPR at 3.00% for the rest of the year and will cap MYR strength.

	S2	S1	Indicative	R1	R2
USD/MYR	4.6810	4.6837	4.6865	4.6890	4.6916

USD/SGD

USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.3663 and strengthened slightly to 1.3667 at the point of writing. Similar to USD/ MYR, we have a neutral-to-slightly bullish call amidst weak sentiment across most Asian currencies and amidst ongoing China property market woes.



	S2	S1	Indicative	R1	R2
USD/SGD	1.3616	1.3649	1.3667	1.3675	1.3688

MYR Crosses

SGD/MYR

SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.01% lower at 3.4304 and slid to 3.4291 at the point of writing. Daily outlook is neutral-to-slightly bearish given MYR strength as well as cautiousness amidst Singapore's IPI data due today. As it is, consensus is expecting industrial output to worsen to -1.5% m/m and 3.1% y/y in Aug and this does not bode well for SGD.



	S2	S1	Indicative	R1	R2
SGD/MYR	3.4220	3.4264	3.4291	3.4348	3.4388

GBP/MYR

GBP/MYR Slightly Bearish

GBP/MYR opened 0.13% lower at 5.7234 and slid to 5.7211 at the point of writing. Daily outlook is slightly bearish as GBP/USD pair enters a bearish 1.2208 level during early Asian session, its lowest since March. This pair, is nonetheless, expected to be supported at 5.7122 and 5.6923 (R2) levels.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.6923	5.7122	5.7211	5.7415	5.7520

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.03% lower at 3.0100 and largely traded within the 3.0072-3.0117 range. The pair is currently trading at 3.0112 at the point of writing, and we have a neutral view for this pair. AUD remains strong this morning, trading within a tight range of 0.6416-0.6426, supported by 11bps jump in 10Y yield to 4.42%, following the overnight gains in US treasuries.

A	S2	S1	Indicative	R1	R2
AUD/MYR	2.9946	3.0029	3.0112	3.0206	3.0477

Source: Bloomberg, HLBB Global Markets Research

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hlbb.hongleong.com.my**DISCLAIMER**

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