

26 October 2023

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts –Neutral-to-Slightly Bullish

USD/MYR opened 0.23% higher at 4.7910 before paring some of its gains to trade at 4.7863 at the point of writing. Daily outlook is neutral-to-slightly bullish on USD strength as risk sentiment turns sour on the back of higher UST yields and heightened geopolitical risks in the Middle East. Today, largely will largely keep an eye on the US 3Q GDP, on top of durable/capital goods orders and pending home sales. This pair will meet R1 and R2 at 4.8062 and 4.8310 today.

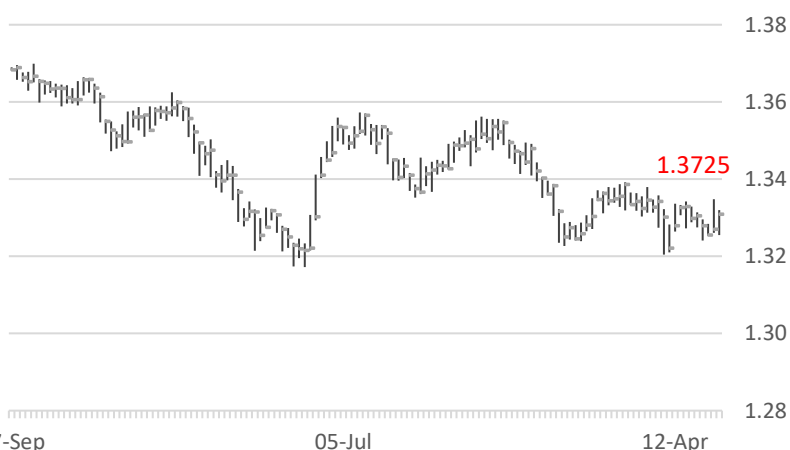
1-Month Outlook – USD/MYR Neutral-to-Slightly Bullish

The USD/MYR 1-month outlook is neutral-to-slightly bullish as the Fed dot plot points to one more 25bps Fed 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 expectations for a more solid expansion in economic activities and continuous improvement in the labour market. 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	4.7566	4.7683	4.7863	4.8062	4.8310

USD/SGD

USD/SGD Neutral-to-Slightly Bullish



USD/SGD opened 0.01% lower at 1.3705 but rebounded to 1.3725 at the point of writing. Daily outlook is neutral-to-slightly bullish on USD strength, meeting R1 and R2 at 1.3750 and 1.3803 respectively. Other from US economic indicators, we will be watching out Singapore's IPI number in the afternoon, where expectations is that it will improve to +8.1% m/m and -4.5% y/y in September (Aug: -10.5% m/m and -12.1% y/y).

	S2	S1	Indicative	R1	R2
USD/SGD	1.3644	1.3676	1.3725	1.3750	1.3803

MYR Crosses

SGD/MYR

SGD/MYR Neutral



SGD/MYR opened 0.16% lower at 3.4834, largely traded within 3.4834-3.4922 before settling back at yesterday's close of 3.4889 at the point of writing. Daily outlook is neutral, eyeing a trading range of 3.4834-3.4989 with key sway being Singapore's IPI data.

5	S2	S1	Indicative	R1	R2
SGD/MYR	3.4779	3.4834	3.4889	3.4989	3.5089

GBP/MYR

GBP/MYR Neutral-to-Slightly Bearish



GBP/MYR opened 0.06% higher at 5.7965 but quickly lost some of its lustre to trade at 5.7905 at the point of writing. Daily outlook is neutral-to-slightly bearish given GBP weakness, as GBP/USD trended down to 1.2099 at the point of writing. This pair, will nonetheless, be supported at 5.7795 (R1) and 5.7659 (R2) respectively.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.7659	5.7795	5.7905	5.8176	5.8421

AUD/MYR



AUD/MYR Slightly Bearish

AUD/MYR opened 0.39% lower at 3.0148 and slid to 3.0110 at the point of writing. Daily outlook is slightly bearish given AUD weakness, as reflected by AUD/USD trending down to 0.6290 at the point of writing. Weighing down on AUD is RBA Governor downplaying the 3Q inflation surprise, sending its Australian sovereign bond yields retreating in early morning trade.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9651	3.0016	3.0110	3.0506	3.0746

Source: Bloomberg, HLBB Global Markets Research

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