

27 January 2023

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Slightly Bearish

USD/MYR opened 0.06% lower at 4.2430 and slid further to 4.2270 at the point of writing. Daily outlook is slightly bearish given the lower opening as well as continuing downward trajectory. MYR has also strengthened against most G10 and regional currencies, recording its fifth day of gain on higher oil prices. Key data to watch out tonight will be the personal income and spending data, pending home sales as well as University of Michigan’s sentiment and its inflations expectations.

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	4.2170	4.2215	4.2270	4.2472	4.2682

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3120 but dipped to 1.3111 at the point of writing. Daily outlook is neutral as SGD seemed to hold firm at the 1.31-1.32 handle. Risk is skewed downwards for this pair on hopes of more policy tightening going forward on the SGD front amidst still elevated inflation rate.

To	S2	S1	Indicative	R1	R2
USD/SGD	1.3064	1.3093	1.3111	1.3148	1.3180

MYR Crosses

SGD/MYR

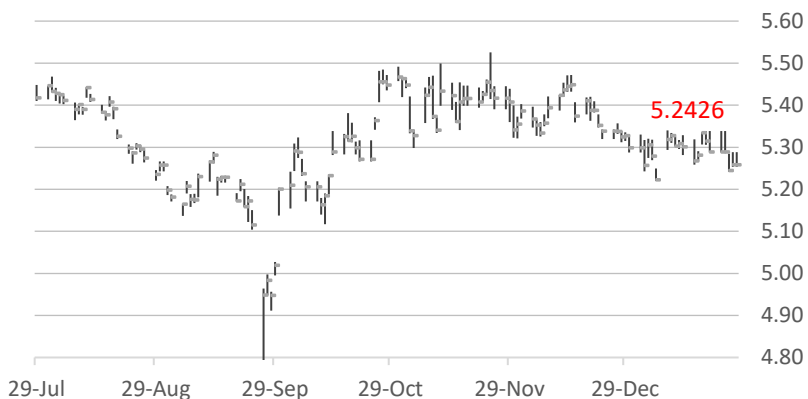


SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.06% higher at 3.2371 but retreated slightly to 3.2220 at the point of writing. This is a shade lower than previous close. Given the lower trajectory post opening as well as MYR strength this morning, we are neutral to slightly bearish on this pair.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.2140	3.2186	3.2220	3.2264	3.2308

GBP/MYR



GBP/MYR Slightly Bearish

GBP/MYR opened 0.24% higher at 5.2705 but quickly retreated to 5.2426 at the point of writing. Given MYR strength this morning while GBP has closed mixed against its G10 peers, we are slightly bearish on this pair. GBP slipped overnight after UK business confidence slumped to a 13-year low.

To	S2	S1	Indicative	R1	R2
GBP/MYR	5.2193	5.2311	5.2426	5.2703	5.2978

AUD/MYR

AUD/MYR Neutral-to-Slightly Bearish

AUD opened 0.16% higher at 3.0205 but pared its gains to trade at 3.0123 at the point of writing. Daily outlook is neutral-to-slight bearish given the lower trajectory post opening to below previous close. AUD/USD pair also struggled after the upbeat economic data from the US. Nevertheless, any loss will be capped by expectations that RBA will continue to raise rates while China's reopening will augment commodities demand.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9780	2.9871	3.0123	3.0198	3.0428

Source: Bloomberg, HLBB Global Markets Research

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