

27 November 2023

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts –Neutral-to-Slightly Bearish

USD/MYR opened 0.31% lower at 4.6730 before paring some of its losses to trade at 4.6775 at the point of writing. Neutral-to-slightly bearish as USD weakens against regionals, while regional currencies recouped some of their losses on expectations that Fed is at the end of its tightening cycle. US economic data due for release this week includes the monthly core PCE prices, consumer confidence, the Beige Book and the second reading of US 3Q GDP.

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

The USD/MYR 1-month outlook is neutral-to-slightly bullish. Although the latest Fed dot plot points to one more 25bps Fed hike this year and Fed speaks and the latest FOMC minutes have remained hawkish, we noted renewed weakness in US economic data and sharper than expected deceleration in inflation. With the latest CPI print coming in lower than expected and retail sales falling m/m for the first time in 7 months, we have scaled down Fed rate hike bets and now expects the Fed funds rate to have peaked at the current 5.25-5.50%. Although expectations for a steady Fed funds rate will exert downward pressure on the USD, haven demand in an uncertain environment will limit downside in the greenback in our view. Meanwhile on the domestic front, MYR will be supported by expectations for an extended pause in OPR. BNM maintained a neutral stance in its latest MPC statement, highlighting that the prevailing OPR level is consistent with the current assessment of the inflation and growth outlook.

	S2	S1	Indicative	R1	R2
USD/MYR	4.6710	4.6750	4.6775	4.6830	4.6890

USD/SGD



USD/SGD Neutral-to-slightly bearish

USD/SGD opened 0.04% higher at 1.3406, traded within the 1.3391-1.3408 range before settling at 1.3393 at the point of writing. Like the previous pair, we have a neutral-to-slightly bearish outlook for this pair given USD weakness and SGD strength against regionals, with some support seen at 1.3382 (S1) and 1.3365 (S2) respectively.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3365	1.3382	1.3393	1.3416	1.3433

MYR Crosses

SGD/MYR



SGD/MYR Neutral

SGD/MYR opened 0.13% higher at 3.4986 before paring some of its gains to trade around its previous close of 3.4940 post the release of China's industrial profits data. The pair is trading at 3.4943 at the point of writing and daily outlook is neutral, with S1 and R1 at 3.4853 and 3.5021 respectively.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4797	3.4853	3.4943	3.5021	3.5105

GBP/MYR



GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.41% higher at 5.9072 before paring some of its gains to trade at 5.8940 at the point of writing. Daily outlook is neutral-to-slightly bullish given the higher opening, but gains seen as capped given MYR strength. The Nationwide House Price report and mortgage approval numbers are due for release, on top of a few speeches by BOE officials including Governor Bailey which may influence the direction of the market.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.8609	5.8785	5.8940	5.9137	5.9317

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.27% higher at 3.0852 before paring some of its gains to trade at 3.0803 at the point of writing. Daily outlook is neutral-to-slightly bullish given the higher opening, but gains seen capped at 3.0847 (R1) and 3.0901 (R2) as AUD/USD weakened from its day high of 0.6595 to 0.6588 at the point of writing post China's numbers. For the week ahead, retail sales, CPI, private sector credit numbers and building approvals for October are all scheduled for release.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0617	3.0711	3.0803	3.0847	3.0901

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