

28 February 2023

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bearish

USD/MYR opened 0.16% lower at 4.4712, dipped to as low as 4.4625 before rebounding to 4.4680 at the point of writing. We are neutral-to-slightly bearish on this pair amid a weaker USD. Overnight, DXY stumbled as selling pressures emerged after hitting its high of 105.36 for the day following a rally in the EUR and GBP. The index snapped a 4-day gain, closing the day 0.5% d/d lower at 104.67.

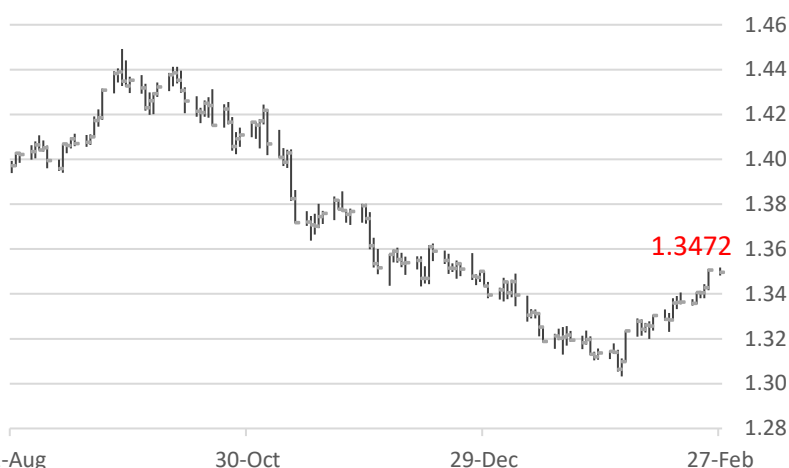
1-Month Outlook – USD/MYR Neutral

USD/MYR outlook is neutral. US data largely surprised on the upside and the outsized January nonfarm job gains coupled with the higher-than-expected core-PCE prices have spurred rate hike bets, with odds of a 50bps Fed rate hike back in investors' radar. This was further reinforced by two Fed Presidents who said they were considering 50bps hike to battle inflation. We have tweaked our house view for three more 25bps hike to 5.25-5.50% in the next three upcoming FOMC meeting. This, coupled with telltale signs of a soft landing in the US economy, and that a recession could potentially be delayed or averted, shall continue to support the greenback. On the domestic front, the revised smaller budget deficit is mildly positive for the MYR. The decent growth outlook aside, potential upside risk to inflation shall support the case for further OPR hike by BNM, which would in turn augur well with MYR bulls, hence cushioning pressure from a strong USD.

	S2	S1	Indicative	R1	R2
USD/MYR	4.4515	4.4559	4.4680	4.4765	4.4930

USD/SGD

USD/SGD Neutral-to-Slightly Bullish



USD/SGD opened flat at 1.3465, spiked to 1.3475 and was hovering at 1.3472 at the point of writing. Daily outlook is neutral-to-slightly bullish amid SGD weakness vis-a-vis most regional and G10 currencies. Singapore is set to release its unemployment rate today which is expected to inch up by 0.1ppt to 2.1%.

To	S2	S1	Indicative	R1	R2
USD/SGD	1.3419	1.3447	1.3472	1.3501	1.3528

MYR Crosses

SGD/MYR

SGD/MYR Neutral-to-Slightly Bearish



SGD/MYR opened 0.12% higher at 3.3225, dipped to 3.3131 before rebounding to 3.3214 at the point of writing. We are neutral-to-slightly bearish on this pair due to outlook of a stronger MYR and weaker SGD today.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.3153	3.3192	3.3214	3.3270	3.3308

GBP/MYR

GBP/MYR Slightly Bullish



GBP/MYR opened 0.66% higher at 5.3978, fell to 5.3826 before retracing back to 5.3954 at the point of writing. Daily outlook is slightly bullish given the higher opening as well as expectations that GBP will be supported by news of the agreement between the UK and EU to end the Brexit trading dispute with respect to Northern Ireland.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.3501	5.3741	5.3954	5.4111	5.4245

AUD/MYR

AUD/MYR Slightly Bullish

AUD opened 0.26% higher at 3.0164, retreated to 3.0072 but rebounded back to 3.0169 at the point of writing. Daily outlook is slightly bullish on the back of a stronger AUD. Data this morning also showed that retail sales rose more than expected to +1.9% m/m in January and this bodes well for the AUD.



	S2	S1	Indicative	R1	R2
AUD/MYR	2.9701	2.9961	3.0169	3.0318	3.0544

Source: Bloomberg, HLBB Global Markets Research

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