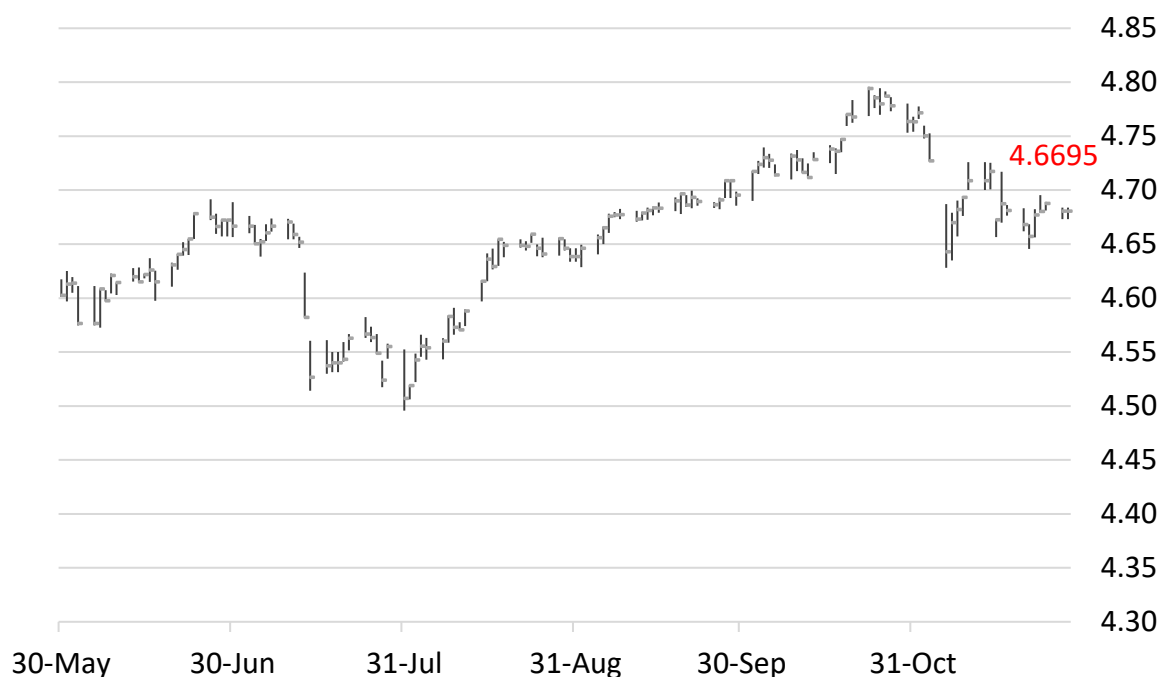


28 November 2023

## Global Markets Research

### Daily Currency Outlook

#### USD/MYR



Source: Bloomberg, HLBB Global Markets Research

#### Intraday Thoughts –Neutral-to-Slightly Bearish

USD/MYR opened 0.12% lower at 4.6750 and slid to 4.6695 at the point of writing. Daily outlook is neutral-to-slightly bearish on USD weakness, pressured by the US new home sales data contracting more than expected and correspondingly, a downward shift in the Treasury yield curve overnight. While there will be a slew of housing data and consumer confidence index due to be released tonight, investors will largely await the core-PCE prices later in the week for any shifts in views/directions to Fed's decision, and thus, USD.

#### 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	4.6575	4.6683	4.6695	4.6899	4.7007

## USD/SGD

### USD/SGD Neutral-to-Slightly Bearish

USD/SGD opened flat at 1.3368 but slid to 1.3353 at the point of writing. Similarly, the performance for this pair will predominantly be USD driven this week, and as such, we have a neutral-to-slightly bearish view for this pair. Trading will be largely mild ahead of the core-PCE prices, with support levels seen at 1.3335 (R1) and 1.3310 (R2) respectively.



	S2	S1	Indicative	R1	R2
USD/SGD	1.3310	1.3335	1.3353	1.3369	1.3385

## MYR Crosses

### SGD/MYR

### SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.13% higher at 3.5024 before making a U-turn to 3.4971 at the point of writing. Daily outlook is neutral-to-slightly bearish on MYR strength. In our opinion, investors will view positively Economy Minister's reaffirmation that the targeted RON95 subsidy rationalisation will be rolled out in 2024. The pair will face resistance at 3.5065 (R1) and 3.5142 (R2) respectively.



	S2	S1	Indicative	R1	R2
SGD/MYR	3.4832	3.4909	3.4971	3.5065	3.5142

### GBP/MYR

### GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.21% higher at 5.9138 before quickly erasing all its gains to trade at 5.8997 at the point of writing. Daily outlook is neutral-to-slightly bearish given the downward trajectory post opening, but losses to be capped at 5.8901 (S1) and 5.8757 (S2) as GBP/USD held firmly above the 1.3625 handle and after BOE Governor Andrew Bailey suggesting that UK rate cuts are unlikely for the "foreseeable future" as he warned that 2H of the inflation battle will be hard work.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.8757	5.8901	5.8997	5.9095	5.9189

## AUD/MYR



## AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.26% higher at 3.0954, Trading was volatile between 3.0877-3.0961 before settling at 3.0901 at the point of writing. Daily outlook is neutral-to-slightly bullish on AUD strength. Despite retail sales unexpectedly contracting 0.2% m/m in Oct (Sep: +0.9% m/m), AUD/USD held firmly above its opening/closing levels although retreating from day high of 0.6625 to 0.6617 at the point of writing.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0829	3.0863	3.0901	3.0947	3.0996

Source: Bloomberg, HLBB Global Markets Research

**Hong Leong Bank Berhad**

Fixed Income &amp; Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damansara

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: [HLMarkets@hlbb.hongleong.com.my](mailto:HLMarkets@hlbb.hongleong.com.my)**DISCLAIMER**

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter.

Potential and actual conflict of interest may arise from the activities of HLB Group. HLB Group constitute a diversified financial services group. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and other activities for their own account or the account of others. In the ordinary course of their business, HLB Group may effect transactions for their own account or for the account of their customers and hold long or short positions in the financial instruments. HLB Group, in connection with its business activities, may possess or acquire material information about the financial instruments. Such activities and information may involve or have an effect on the financial instruments. HLB Group have no obligation to disclose such information about the financial instruments or their activities.

The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favorable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.