

30 May 2023

## Global Markets Research

### Daily Currency Outlook

#### USD/MYR



Source: Bloomberg, HLBB Global Markets Research

#### Intraday Thoughts – Neutral

USD/MYR opened 0.03% lower at 4.6030 but rebounded to above previous close at 4.6058 at the point of writing. Despite this, we have a neutral call for this pair on expectation that markets should remain muted during Asian hours, mirroring overnight trade and lack of drivers on the domestic front. Although the DXY has held firm above the 104-handle, USD has weakened against regional currencies. Nevertheless, investors should brace for more volatility when the US markets reopen after the Memorial Day long weekend, with sentiment largely dictated by the developments in the debt deal as well as Nonfarm Payrolls (NFP) data towards end week.

#### 1-Month Outlook – USD/MYR Neutral

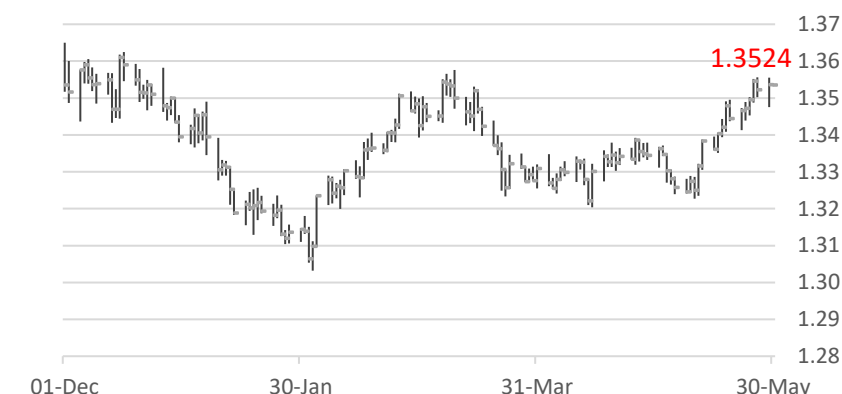
The USD/MYR 1-month outlook is neutral in our view, amid expectations for eventual USD consolidation torn between the end-of Fed tightening cycle, expectations for Fed rate cut, and haven demand given the greenback's dominant position as the world reserve currency. There are tentative signs growth in the US economy and labour market are losing their resiliency, although the latter is still healthy. In addition, concerns over the recent banking rout and the consequential tightening financial conditions and liquidity concerns, will exert pressure on sentiment and USD. Nevertheless, we do expect some support for the USD as the impasse on the debt ceiling edges closer to a resolution, and as the latest PCE print registered a surprised uptick. On the domestic front, a less hawkish tone in BNM's latest monetary policy statement and slightly accommodative policy stance implied that the current OPR rate is near neutral level. While there could still be room for a 25bps hike, moderating growth and inflation prospects will support our view for OPR to stay unchanged at 3.00% for the remaining of 2023, capping excessive gains in the MYR.

	S2	S1	Indicative	R1	R2
USD/MYR	4.5858	4.5952	4.6058	4.6162	4.6278

## USD/SGD

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

USD/SGD opened flat at 1.3536 and slid to 1.3524 at the point of writing. Daily outlook is neutral-to-slightly bearish given the lower trajectory subsequent to reopening and USD weakness against most Asian currencies. Like the previous pair, the performance of this pair will be predominantly USD led given the lack of drivers on the Singapore front.



	S2	S1	Indicative	R1	R2
USD/SGD	1.3442	1.3489	1.3524	1.3569	1.3602

## MYR Crosses

### SGD/MYR

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

SGD/MYR opened 0.06% lower at 3.4006 but pared its losses and quickly recovered to above its previous close at 3.4057 at the point of writing. Daily outlook is neutral to slightly bullish as SGD has strengthened against most regional peers. Meanwhile, there will be no economic data on both fronts that should shock the pair today.



	S2	S1	Indicative	R1	R2
SGD/MYR	3.3844	3.3955	3.4057	3.4127	3.4228

### GBP/MYR

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

GBP/MYR opened 0.02% higher at 5.6854 and strengthened to 5.6954 at the point of writing. Daily outlook is neutral-to-slightly bullish on GBP strength vis-à-vis most Asian currencies, benefitting from the positive market mood post US debt deal progress. Nonetheless, we expect trading to be largely subdued, mirroring the forex market overnight, until the UK markets reopen after a long weekend.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.6602	5.6724	5.6954	5.7007	5.7168

## AUD/MYR



## AUD/MYR Neutral-to-Slightly Bullish

AUD opened 0.16% lower at 3.0061 but quickly retraced to above previous close at 3.0150 at the point of writing. Daily outlook is neutral-to-slightly bullish this morning on AUD strength. Nevertheless, we will be watching out for the recent tension between Washington and Beijing, which could spur uncertainty for the AUD. As it is, China turned down the US Defence's request for a meeting in Singapore.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9895	3.0002	3.0150	3.0218	3.0327

Source: Bloomberg, HLBB Global Markets Research

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