

5 January 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

USD/MYR opened 0.02% lower at 4.6343 before rebounding to 4.6465 at the point of writing. Daily outlook is neutral-to-slightly bullish as USD, as well as its G10 peers, continued to strengthen against regional currencies. USD also benefited from a relatively hawkish FOMC minutes the previous day and pared rate cuts bets after the better-than-expected US ADP job gains and jobless claims data overnight. With this, we will be watching out for the non-farm payroll data tonight for more clues on Fed rate outlook. Other data on deck includes the average hourly earnings, factory orders and ISM-Services.

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

The USD/MYR outlook is neutral-to-slightly bearish in our view, as the USD has recently been more vulnerable as inflation rate continues to ease and after the Fed sent its strongest ever signal that the Fed funds rate have peaked at this level. The latest dot plot also suggests 3 rate cuts (75bps) in 2024 and 4 rate cuts (100bps) in 2025, and this dovish pivot does not bode well for the USD. On the data front, indicators point to softening economic activity but a still decent labour market, reaffirming expectations of a soft landing for the US economy. Domestically, 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	4.6226	4.6331	4.6465	4.6488	4.6576

USD/SGD



USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.3293, spiked to 1.3304 before quickly retreating back to 1.3295 at the point of writing. Daily outlook is neutral-to-slightly bullish, facing resistance levels at 1.3304 (R1) and 1.3323 (R2) respectively with the NFP data crucial for the next direction for this pair. On the domestic front, Singapore will publish its retail sales data and consensus is expecting sales to rebound and grow by +2.2% y/y in November after October's -0.1% y/y.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3271	1.3284	1.3295	1.3304	1.3323

MYR Crosses

SGD/MYR



SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.17% lower at 3.4862 before erasing all its losses and more to trade at 3.4949 at the point of writing. SGD, as per in the past couple of days, appeared to have outperformed its regional peers, and as such, we have a neutral-to-slightly bullish outlook for this pair, facing R1 and R2 at 3.4973 and 3.5045 respectively.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.4759	3.4829	3.4949	3.4973	3.5045

GBP/MYR



GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.32% lower at 5.8776 but quickly rebounded above previous close at 5.8981 at the point of writing. Daily outlook is neutral-to-slightly bullish as GBP outperformed its G10 peers as well as regional currencies after its services and composite PMIs were revised higher and on the back of a jump in mortgage approvals data overnight.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.8602	5.8729	5.8981	5.8983	5.9110

AUD/MYR



AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 0.56% lower at 3.1080 before paring some of its losses to trade at 3.1181 at the point of writing. Daily outlook is neutral-to-slightly bearish but we expect losses to be capped by AUD strength. AUD/USD strengthened to 0.6714 at the point of writing after sliding to as low as 0.6700 overnight.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0977	3.1050	3.1181	3.1195	3.1267

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