

13 February 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts - Neutral

USD/MYR opened 0.08% lower at 4.7613 before rebounding to 4.7635 at the point of writing. We expect trading in USD to remain on tenterhooks today ahead of the CPI print, and as such, we have a neutral outlook for this pair, eyeing a trading range between 4.7548-4.7798. As it is, consensus expects core CPI to soften to 3.7% from 3.9% previously, keeping the slowing inflation trend intact and does not shift our expectations on the timing of an anticipated Fed funds rate cut starting from 2Q of this year.

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

The USD/MYR outlook is neutral-to-slightly bearish in our view, as markets shifted to when and how much the Fed will ease its policy as price prints continue to moderate. However, we expect downside to be capped by a still resilient USD. The January FOMC statement showed policy makers are pushing back timing of the first rate cut, and economic data continues to point to resilient economic activity (the Fed said it is solid), although some of the more forward-looking indicators and job data are starting to indicate that growth could start to taper off in 1Q and as such, there is no change in our view that the Fed will only start cutting rates towards mid-2024. Domestically, MYR will be supported by expectations for an extended pause in OPR, as recovery in exports, sustained domestic demand and upside risk to inflation amid imminent subsidy cuts should shield BNM from any OPR cut.

| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|-----------|------------|--------|--------|
| USD/MYR | 4.7447 | 4.7548 | 4.7635 | 4.7798 | 4.7947 |



USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3447 before strengthening to 1.3454 at the point of writing. Daily outlook is neutral as we do not foresee any drivers to significantly sway the pair pending the release of the US CPI print, followed by Singapore's final 4Q GDP, NODX data as well as Budget 2024 later in the week. We expect this pair to be traded within a narrow band of 1.3434-1.3461 today.

| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| USD/SGD | 1.3422 | 1.3434 | 1.3454 | 1.3461 | 1.3476 |

MYR Crosses

SGD/MYR

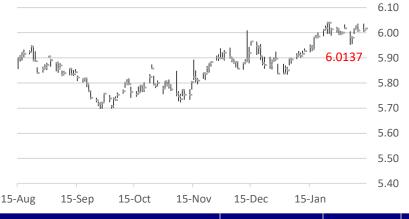


SGD/MYR Neutral

SGD/MYR opened 0.12% higher at 3.5431 but quicky pared its gains to trade at 3.5407 at the point of writing. Daily outlook is neutral, eyeing a trading range of 3.5322-3.5485 with the next key risk on Malaysia's front being the final print to 2023 GDP data due later in the week.

| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| SGD/MYR | 3.5258 | 3.5322 | 3.5407 | 3.5485 | 3.5584 |

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.12% higher at 6.0168 before losing some of its lustre to trade at 6.0137 at the point of writing, Daily outlook is neutral, with the higher opening offset by the upward momentum for MYR in early Asian trade and eyeing a trading range of 5.9926-6.0296. Key risk today for this pair will be UK's labour data, where unemployment rate is expected to inch up to 4.0% and employment change halving to +50k.

| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| GBP/MYR | 5.9831 | 5.9962 | 6.0137 | 6.0297 | 6.0501 |



AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.33% higher at 3.1111 before paring some of its gains to trade at 3.1091 at the point of writing. Daily outlook is neutral-to-slightly bullish, with AUD strength supported by comments from Marion Kohler, head of economic analysis in RBA, who said that prices are facing pressure form higher labour and non-labour costs and added that the decline in services price inflation is necessary for Australia to achieve its gains.

| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|-----------|------------|--------|--------|
| AUD/MYR | 3.0996 | 3.1018 | 3.1091 | 3.1132 | 3.1200 |

Source: Bloomberg, HLBB Global Markets Research



Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets Level 8, Hong Leong Tower 6, Jalan Damanlela Bukit Damansara 50490 Kuala Lumpur

Tel: 603-2081 1221 Fax: 603-2081 8936

Email:

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