

16 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 4.6698 before rebounding to 4.6865 at the point of writing. Daily outlook is neutral-to-slightly bullish given the upward trajectory post opening and with investors largely switching focus to the US retail sales and IPI data this week, not to mention China's 4Q GDP, UK and Eurozone's CPI prints and noises from the World Economic Forum. On the domestic front, key indicators on deck are the exports and advance 4Q GDP estimate later in the week.

#### 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. While this has pressured the USD of late and should continue to do so, economic data continues to point to resilient economic activity and a still decent labor market, although some of the more forward-looking indicators 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 | 4.6644 | 4.6746 | 4.6865     | 4.6898 | 4.6949 |

## USD/SGD

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

USD/SGD opened flat at 1.3334 before trending up to 1.3360 at the point of writing. We have a neutral-to-slightly bullish view for this pair given the upper trajectory post opening, and with upside capped by R1 and R2 at 1.3373 and 1.3398 respectively. Investors will closely scrutinise DPM Lawrence Wong's speech on FY2024 Budget today for any sways to the pair.



|         | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| USD/SGD | 1.3324 | 1.3341 | 1.3360     | 1.3373 | 1.3398 |

## MYR Crosses

### SGD/MYR

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

SGD/MYR opened flat at 3.5013 before strengthening to 3.5078 at the point of writing. Daily outlook is neutral-to-slightly bullish as SGD appear to have outperformed MYR this morning, probably due to a broadly risk off sentiment. On the domestic front, key indicators on deck are the exports and 4Q GDP later in the week.



|         | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| SGD/MYR | 3.4979 | 3.5025 | 3.5078     | 3.5121 | 3.5192 |

### GBP/MYR

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

GBP/MYR opened 0.10% lower at 5.9376 before paring its losses to trade at 5.9481 at the point of writing. Daily outlook is neutral-to-slightly bullish with investors largely eyeing the UK labour number tonight as well as the CPI print tomorrow. As it is, consensus is expecting inflation and wage growth to ease but remained elevated at +6.6% y/y and +3.8% y/y respectively in November.



|         | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| GBP/MYR | 5.9310 | 5.9386 | 5.9481     | 5.9525 | 5.9587 |

## AUD/MYR



## AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 0.13% lower at 3.1056, slid as low as 3.1024 before rebounding and settling at 3.1063 at the point of writing. Daily outlook is neutral-to-slightly bearish as AUD weakened post the decline in consumer confidence data this morning and household spending numbers overnight. This pair, will nonetheless, be supported at 3.1008 (S1) and 3.0979 (S2) respectively.

| arc     | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| AUD/MYR | 3.0979 | 3.1008 | 3.1063     | 3.1087 | 3.1130 |

Source: Bloomberg, HLBB Global Markets Research

**Hong Leong Bank Berhad**

Fixed Income &amp; 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: [HLMarkets@hlbb.hongleong.com.my](mailto:HLMarkets@hlbb.hongleong.com.my)**DISCLAIMER**

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