

16 February 2024

**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 4.7768, slipped to 4.7723 before paring some of its losses to trade at 4.7808 at the point of writing. We have a neutral-to-slightly bearish outlook for this pair given that it is slightly overbought and Asian currencies are enjoying a lift amidst the soft US data overnight. Trading is expected to be largely sideways ahead of the Malaysia 4Q GDP announcement at noon. Potentially tempering USD/MYR bearishness is the 4Q GDP result as well as Fed Atlanta President Raphael Bostic’s comments that there is no rush to cut rates given the strength in the labour market and economy and cautioned that it is not clear yet that inflation is heading sustainably towards 2%. Next up for this pair tonight will PPI, University of Michigan Sentiment, building permits and housing starts.

**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 given the push-backs on rate cut bets, after the CPI prints and labour data came in stronger than expected, while forward looking indicators point to solid economic activity but this does not change 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 | 4.7707 | 4.7766 | 4.7808     | 4.7868 | 4.7911 |

## USD/SGD



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

USD/SGD opened flat at 1.3457 before strengthening to 1.3464 at the point of writing. This is despite the stronger than expected NODX data this morning, which saw growth of +16.8% y/y in January (consensus: +4.3% y/y vs Dec: -1/5% y/y). With this, we have a neutral-to-slightly bullish outlook for this pair, with Singapore's Budget 2024 in focus next. As it is, expectations is that the budget can potentially focus on addressing the living costs and upskilling of citizens.

|         | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| USD/SGD | 1.3417 | 1.3437 | 1.3464     | 1.3481 | 1.3505 |

## MYR Crosses

### SGD/MYR



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

SGD/MYR opened 0.12% higher at 3.5542 before erasing all its gains to trade at 3.5503 at the point of writing. Daily outlook is neutral-to-slightly bearish given SGD weakness against regional on the back of a risk-on environment. This pair will nonetheless be supported at 3.5453 (S1) and 3.5404 (S2) respectively.

|         | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| SGD/MYR | 3.5404 | 3.5453 | 3.5503     | 3.5530 | 3.5558 |

### GBP/MYR



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

GBP/MYR opened 0.21% higher at 6.0170 and trended up slightly to 6.0173 at the point of writing. Daily outlook is neutral-to-slightly bullish as the GBP/USD pair managed to hold above the key 100-day Exponential Moving Average (EMA) of 1.2580 during the early Asian session. Investors will next shift their attention to the UK retail sales data today as well as speech from BOE's Huw Pill.

|         | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| GBP/MYR | 5.9861 | 5.9952 | 6.0173     | 6.0231 | 6.0416 |

### AUD/MYR



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

AUD/MYR opened 0.32% higher at 3.1164 before erasing some of its gains to trade at 3.1128 at the point of writing. Daily outlook is neutral-to-slightly bullish given the higher opening, but this will be offset by weaker AUD/USD at 0.6512 at the point of writing. Thus, this pair will face resistance at 3.1153 (R1) and 3.1266 (R2) with the next key event risk being the RBA minutes next Tuesday.

|         | S2     | S1     | Indicative | R1     | R2     |
|---------|--------|--------|------------|--------|--------|
| AUD/MYR | 3.0927 | 3.0996 | 3.1128     | 3.1153 | 3.1266 |

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