

3 January 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Slightly Bullish

USD/MYR opened 0.27% higher at 4.6182 and strengthened further to 4.6370 at the point of writing. Daily outlook is slightly bullish on expectations that the higher UST yields overnight as well as risk off-sentiment will be supportive of the USD. As it is, KRW, MYR and THB led losses against USD in the past two days, as investors stayed cautious after a disappointing official China PMIs and ahead of the FOMC meeting minutes tonight as well as labour data on Friday.

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 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 | 4.6087 | 4.6229 | 4.6370 | 4.6465 | 4.6561 |

USD/SGD

USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.3256, spiked to as high as 1.3278 before retreating to 1.3268 at the point of writing. As the direction of this pair is predominantly USD driven, daily outlook is neutral-to-slightly bullish as regional currencies weakened against USD in a risk-off environment. This pair is expected to face resistance at 1.3280 (R1) and 1.3291 (R2) respectively.



| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| USD/SGD | 1.3242 | 1.3255 | 1.3268 | 1.3280 | 1.3291 |

MYR Crosses

SGD/MYR

SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.27% lower at 3.4722 but made a U-turn to 3.4949 at the point of writing. Daily outlook is neutral-to-slightly bullish on expectations that SGD will fare better vis-à-vis MYR in a risk-off environment and after the strong Singapore 4Q GDP will keep expectations of a MAS hold in January, supporting the SGD.



| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| SGD/MYR | 3.4629 | 3.4786 | 3.4949 | 3.5037 | 3.5131 |

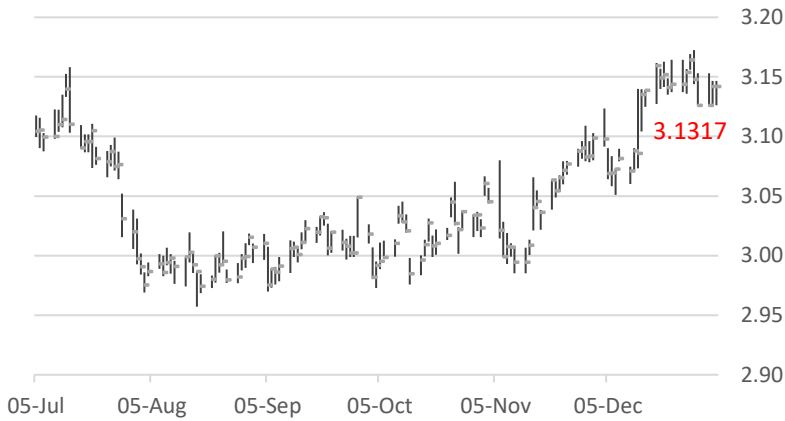
GBP/MYR

GBP/MYR Neutral

GBP/MYR opened 0.40% lower at 5.8341 but pared its losses to trade at 5.8565 at the point of writing. This is close to its previous close, and as such, we have a neutral call for this pair. Supporting our view is also the GBP/USD strengthening to 1.2627 in early morning trade, negating the impact from the lower opening.



| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| GBP/MYR | 5.8218 | 5.8391 | 5.8565 | 5.8679 | 5.8794 |

AUD/MYR

AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 0.46% lower at 3.1273 and similarly, pared its losses to trade at 3.1317 at the point of writing. Daily outlook is neutral-to-slightly bearish on account of the lower opening and weak AUD against G10. This pair, will nonetheless be supported at 3.1276 (S1) and 3.1224 (S2), supported by the unexpected improvement in China's S&P manufacturing PMI overnight.

| | S2 | S1 | Indicative | R1 | R2 |
|---------|-----------|-----------|-------------------|-----------|-----------|
| AUD/MYR | 3.1224 | 3.1276 | 3.1317 | 3.1355 | 3.1380 |

Source: Bloomberg, HLBB Global Markets Research

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