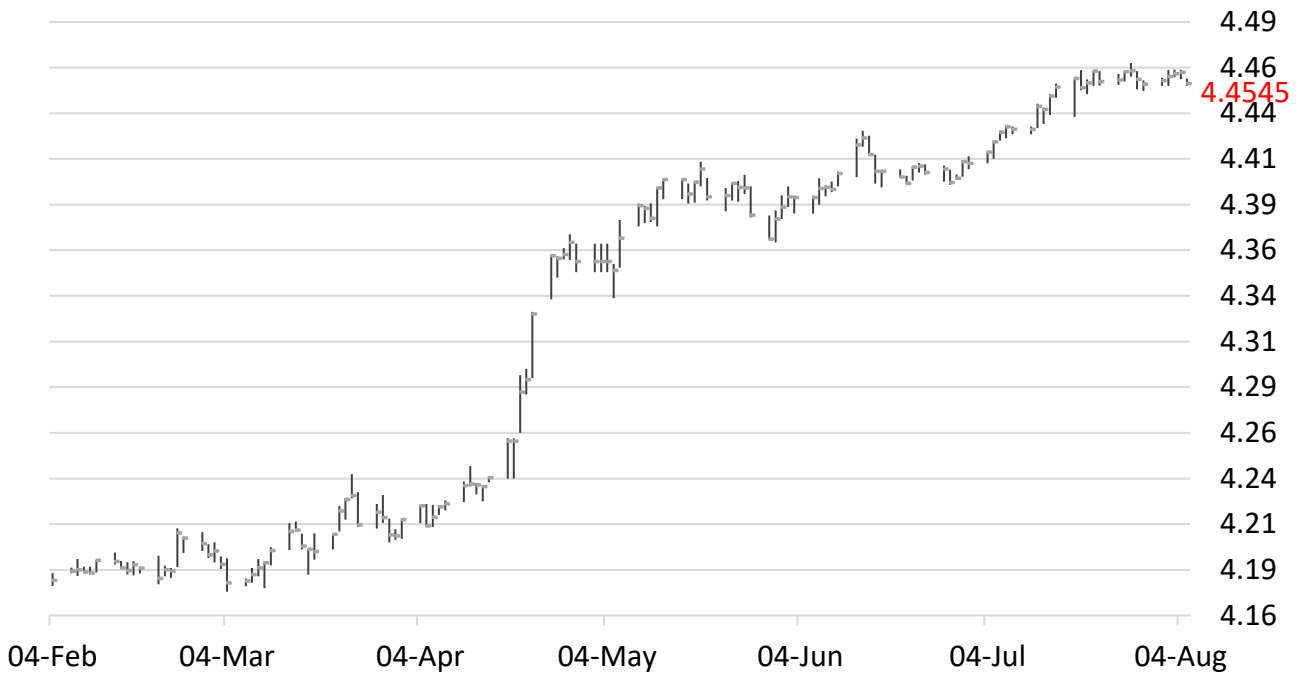


5 August 2022

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

**Intraday Thoughts – MYR Neutral**

USD/MYR opened 0.16% lower at 4.4500. The ringgit is expected to remain relatively resilient compared to its Asian peers with upsides capped at 4.4600, amid cautious sentiment as the market anticipates tonight’s US nonfarm job report. Analysts are looking towards 250k job gains in July, softer than the 372k gain in June.

**1-Month Outlook – MYR Neutral to Slightly Bullish**

We expect the MYR to recover some lost ground, supported by further domestic economic recovery and a catch-up in BNM policy normalization. BNM is expected to hike the OPR by another 50bps this year, bringing the OPR to 2.75% at the year end. The elevated oil prices coupled with the increase in minimum wage to RM1,500 effective 1st May should continue to support economic growth. We have taken into account the broader USD strength which appears to have peaked in this current cycle as the Fed is expected to turn less hawkish in view of weaker data.

	S2	S1	Indicative	R1	R2
USD/MYR	4.4265	4.4400	4.4545	4.4600	4.4700

## MYR Crosses

### SGD/MYR



### SGD/MYR Neutral

SGD/MYR opened 0.25% higher at 3.2410 and slumped back to below 3.2400. The overnight dollar retreat is expected to be a short-term boost for the Singaporean dollar as the USD/SGD pair tread cautiously at circa 1.3760 ahead of tonight's nonfarm payrolls. SGD/MYR may still have a hard time crossing above 3.2400 for now. Singapore's retail sales due today will offer clues on the local consumer demand.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.2050	3.2150	3.2376	3.2400	3.2500

### GBP/MYR



### GBP/MYR Neutral

GBP/MYR opened 0.30% lower at 5.4081. The Bank of England's 50bp rate hike failed to lift the sterling as expected; A recession warning further weighs on GBP/USD although BOE flagged the possibility of another 50bp hike at the next meeting. We continue to see the sterling underperforming the dollar on the weaker outlook, gap in policy tightening versus the Fed, exposure to the surging natural gas prices as well as political uncertainties.

To	S2	S1	Indicative	R1	R2
GBP/MYR	5.3880	5.4000	5.4102	5.4450	5.4700

### AUD/MYR



### AUD/MYR Neutral

AUD/MYR opened 0.45% lower at 3.0961, as AUD/USD failed to hold on to the overnight gains. The immediate focus is on the RBA Statement on Monetary Policy before the market shifts attention to the US job data.

To	S2	S1	Indicative	R1	R2
AUD/MYR	3.0630	3.0800	3.1011	3.1300	3.1500

Source: Bloomberg, HLBB Global Markets Research

**Hong Leong Bank Berhad**

Fixed Income &amp; Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damansara

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**

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter.

Potential and actual conflict of interest may arise from the activities of HLB Group. HLB Group constitute a diversified financial services group. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and other activities for their own account or the account of others. In the ordinary course of their business, HLB Group may effect transactions for their own account or for the account of their customers and hold long or short positions in the financial instruments. HLB Group, in connection with its business activities, may possess or acquire material information about the financial instruments. Such activities and information may involve or have an effect on the financial instruments. HLB Group have no obligation to disclose such information about the financial instruments or their activities.

The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favorable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.