

7 January 2025

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral

USD/MYR opened flat at 4.5107, strengthened to as high as 4.5122 before making a retreat to 4.5103 at the point of writing. We prefer to stay neutral today ahead of the slew of US labour data ahead as well as the ISM Services index tonight, where expectations are that it will improve to 53.5 in December from 52.1 previously. This, coupled with Fed Governor Lisa Cook’s cautious stance to future rate cuts should lend support for USD this morning, but this will likely be negated given that the pair is trading near its overbought position. Meanwhile, uncertainty over Trump’s tariff plans will continue to cause rumbles for the Dollar.

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

The USD/MYR outlook is neutral-to-slightly bearish in our view, largely reflecting some consolidation after the recent rally in greenback after Trump’s win, and as traders continue to trade cautiously in the USD on uncertainties over the pace of rate cuts in view of Trump’s potentially business friendly and inflationary policies going forward. While still healthy, labour data has inevitably cooled. Coupled with mixed economic data, there is no change in our view on easing monetary policy going forward, albeit at a slower than initially expected pace, narrowing the interest rate differentials between meeting next week given Trump’s potentially inflationary policies. On the domestic front, favourable economic outlook and the delay in the implementation of RON95 subsidy retargeting to mid-2025 will further push back upside risks to inflation, reaffirming our view for an extended pause in the OPR probably through next year, supportive of the MYR and our neutral-to-slightly bearish outlook.

	S2	S1	Indicative	R1	R2
USD/MYR	4.4841	4.4974	4.5103	4.5216	4.5325

USD/SGD



USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.3634 before trending up to 1.3647 at the point of writing. Daily outlook is neutral-to-slightly bullish given the upper trajectory post opening, and as the DXY moved higher to 108.35 at the point of writing, The pair will face resistance levels at 1.3713 (R1) and 1.3791 (R2) today.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3479	1.3557	1.3647	1.3713	1.3791

MYR Crosses

SGD/MYR



SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.22% higher at 3.3078 before paring some of these gains to trade at 3.3053 at the point of writing. Daily outlook is neutral-to-slightly bullish given the higher opening, facing R1 and R2 at 3.3106 and 3.3206 today.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.2678	3.2842	3.3053	3.3106	3.3206

GBP/MYR



GBP/MYR Slightly Bullish

GBP/MYR opened 0.27% higher at 5.6428 and strengthened to 5.6471 at the point of writing. Daily outlook is slightly bullish as GBP/USD extended its gains for another day to 1.2521 at the point of writing, facing R1 and R2 at 5.6698 (R1) and 5.7240 (R2) today. It will be an empty economic calendar today, but overnight, UK's Services PMI was revised slightly down to 51.1 in December (Nov: 50.8).

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5614	5.5944	5.6471	5.6698	5.7240

AUD/MYR

AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.12% lower at 2.8139 before paring all its losses and more to trade at 2.8200 at the point of writing. Daily outlook is neutral-to-slightly bullish as the AUD/USD trades stronger at 0.6254 at the point of writing, but gains likely capped after Australia's dismal housing data this morning and after Trump denied reports of a softer tariff stance for his administration, which could potentially weigh on China's economy, Australia's largest trading partner.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.7854	2.8013	2.8200	2.8275	2.8378

Source: Bloomberg, HLBB Global Markets Research

Hong Leong Bank Berhad

Fixed Income & 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:

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.