

9 January 2025

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 4.5022, spiked to as high as 4.5155 before erasing some of these gains to trade at 4.5063 at the point of writing. Daily outlook is neutral to slightly bullish on USD strength overnight with gains likely capped as traders are unlikely to make big bets ahead of the US NFP on Friday. On the domestic front, November's IPI prints are on deck tomorrow which will give more colours to 4Q and 2024 GDP, but Second Finance Minister commented that Malaysia's growth is set to surpass 5.0% this year on strong FDI support, while support from local funds will shield the economy from any global risks.

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	4.4813	4.4922	4.5063	4.5163	4.5338

USD/SGD

USD/SGD Neutral

USD/SGD opened flat at 1.3679, rose to as high as 1.3693 before retreating to 1.3681 at the point of writing. We prefer to stay neutral for this pair today given the upcoming US NFP and lack of economic prints on the Singapore front, eyeing trading range between 1.3627-1.3721 today.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3575	1.3627	1.3681	1.3721	1.3763

MYR Crosses
SGD/MYR

SGD/MYR Neutral

SGD/MYR opened 0.10% lower at 3.2911 before erasing some of these gains to trade at 3.2940 at the point of writing. Daily outlook is neutral, with the lower opening offset by MYR weakness against regionals this morning, eyeing trading range between 3.2877-3.3012 today.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.2812	3.2877	3.2940	3.3012	3.3082

GBP/MYR

GBP/MYR Bearish

GBP/MYR opened 0.74% lower at 5.5644 before erasing some of these losses to trade at 5.5695 at the point of writing. Daily outlook is bearish as GBP/USD remains weak at 1.2359 amid the sell-off in UK gilts recently on debt sustainability and inflation outlook.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5475	5.5622	5.5695	5.6190	5.6321

AUD/MYR

AUD/MYR Slightly Bearish

AUD/MYR opened 0.16% lower at 2.7966 and slid to 2.7950 at the point of writing. Daily outlook is slightly bearish on AUD weakness after the weaker than expected retail sales data on the Aussie front as well as price prints from its largest trading partner, China. At the point of writing, AUD/USD trended down to 0.6202 at the point of writing, trading close to its oversold position.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.7754	2.7887	2.7950	2.8082	2.8153

Source: Bloomberg, HLBB Global Markets Research

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