

10 January 2025

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bearish

USD/MYR opened flattish at 4.5025 before trending down to 4.4955 at the point of writing. Daily outlook is neutral-to-slightly bearish given USD weakness and MYR strength this morning. Nonetheless, we remain of the view that Asian currencies remain vulnerable amid the looming US non-farm payroll (NFP) today. On the domestic front, industrial output print is on deck at noon, while Economy Minister Rafizi Ramli commented overnight that MYR is undervalued and should trade around 4.10-4.15 against the Dollar, lending some support for the Ringgit today.

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	4.4685	4.4868	4.4955	4.5131	4.5234

USD/SGD

USD/SGD Neutral

USD/SGD opened flat at 1.3683, traded within the 1.3677-1.3692 band before settling at the opening level at the point of writing. We prefer to stay neutral pending the release of US NFP. eyeing trading range between 1.3663-1.3710 today. As it is, expectation is that gains in payroll will moderate to 165k in December from +227k previously while unemployment rate hold steady at 4.2%, as per Fed's expectations.



	S2	S1	Indicative	R1	R2
USD/SGD	1.3643	1.3663	1.3683	1.3710	1.3737

MYR Crosses

SGD/MYR

SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.06% higher at 3.2906 before making a retreat to 3.2854 at the point of writing. Daily outlook is neutral-to-slightly bearish given MYR strength, with support levels seen at 3.2778 (S1) and 3.2640 (S2) today. Singapore's monetary policy decision is on deck before the end of the month, and will pose the key risk on the SGD front.



	S2	S1	Indicative	R1	R2
SGD/MYR	3.2640	3.2778	3.2854	3.2970	3.3054

GBP/MYR

GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.15% higher at 5.5385 before shedding all its gains and slightly more to trade at 5.5300 at the point of writing. Daily outlook is neutral-to-slightly bearish as the gilt pain continues and weighs on GBP. Overnight, Chief Secretary to the Treasury, Darren Jones told the House of Commons that UK gilts is functioning in an orderly manner and underlying demand for UK debt is still strong.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.4831	5.5067	5.5300	5.5672	5.6041

AUD/MYR

AUD/MYR Neutral

AUD/MYR opened 0.01% lower at 2.7876 before trending down to 2.7872 at the point of writing. Daily outlook is neutral in a tug of war between MYR and AUD strength this morning, the latter seeing the AUD/USD pair trading in green at 0.6200 at the point of writing, despite the milder than expected Aussie household spending data released this morning.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.7707	2.7793	2.7872	2.8004	2.8129

Source: Bloomberg, HLBB Global Markets Research

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