

10 February 2025

Global Markets Research

Midday Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts - Bullish

USD/MYR opened 0.46% higher at 4.4600 before strengthening to 4.4695 at the point of writing. Daily outlook is bullish as the greenback traded firmer against all G10 and regional currencies, supported by cautious sentiment after Trump’s pledge to announce reciprocal tariffs on trading partners as well as 25% on steel and aluminium today. This will likely keep inflation rate higher for the US. Coupled with its still solid NFP print, this could also keep policy rates elevated for longer and accordingly, traders have pushed back rate cuts bets to its September FOMC meeting, although this has been reversed to July at the time of writing. A busy week ahead with the US CPI on deck later this week, as well as Fed Chair Powell’s semi-annual testimony to the US Congress.

1-Month Outlook - USD/MYR Neutral

The one-month outlook for USD/MYR is neutral in our view, largely reflecting some consolidation after the recent rally in greenback, which saw DXY hitting its 2-year high above the 109-handle. This comes after Trump’s election win, that saw traders pencilling in more business friendly and inflationary policies going forward, the latter including the higher tariffs on Canada, Mexico and China recently. Coupled with solid economic environment, this saw traders pushing back the next rate cut to the July/September FOMC meeting. That said, the current Fed rate remains restrictive at this juncture, and as such, we opine that policy easing remains on track for the US. On the domestic front, BNM maintained the OPR at 3.00% as well as neutral policy stance in its latest monetary policy meeting. With no material changes in the policy statement, other than the mention of uncertainties and risks stemming from “more trade and investment restrictions,” this supports our view for an extended pause in the OPR in 2025, and in tandem with this, supportive of the MYR as well.

	S2	S1	Indicative	R1	R2
USD/MYR	4.4164	4.4281	4.4695	4.4779	4.4956

USD/SGD



USD/SGD Slightly Bullish

USD/SGD opened 0.01% higher at 1.3541 before strengthening to 1.3565 at the point of writing. Again, daily outlook is slightly bullish on USD strength and may take the lead from trading in other USD/Asia pairs and the USD at large for the rest of the week, until Singapore's 4Q's GDP on Friday.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3451	1.3496	1.3565	1.3609	1.3688

MYR Crosses

SGD/MYR



SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.54% lower at 3.2715 before paring all its losses and more to trade at 3.2953 at the point of writing. As this is above previous close and amid cautious sentiment in the financial markets, daily outlook is thus neutral-to-slightly bullish. Key risk for this pair will be the 4Q GDPs on both sides of the border due on Friday.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.2728	3.2810	3.2953	3.3000	3.3136

GBP/MYR



GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.56% lower at 5.5006 before rebounding to 5.5362 at the point of writing. Daily outlook is neutral-to-slightly bullish on GBP strength against most regional and G10s this morning. The coming week sees the release of manufacturing production numbers, trade data, as well as and GDP for the month of December and the whole of 4Q.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4862	5.5090	5.5362	5.5453	5.5588

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.57% lower at 2.7786 before rebounding to 2.7967 at the point of writing. Despite this jump, we prefer to stay neutral for this pair today as we expect US tariff concerns will likely continue to hit commodity currencies like AUD, and this is visible in AUD/USD extending its losses to trade below 0.6300 at the point of writing. It will be pretty light in terms of economic data releases this week, with only the consumer and business confidence numbers due for release.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.7741	2.7842	2.7967	2.8007	2.8071

Source: Bloomberg, HLBB Global Markets Research

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets
Level 8, Hong Leong Tower
6, Jalan Damanlela
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.