

13 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 0.25% higher at 4.5087, strengthened to as high as 4.5208 before retreating to 4.5122 at the point of writing. Daily outlook is neutral-to-slightly bullish as policy uncertainty because of Trump 2.0 and strong US non-farm payroll (NFP) data saw traders paring Fed rate cut bets to only one cut in the December FOMC meeting, lending support for USD today. The week ahead has plenty in store for the US, with price prints like CPI and PPI, as well as retail sales prints on deck. Domestically, it will be a quiet week until this Friday’s advanced release of 4Q and 2024 GDP, which we are maintaining our above 5.0% forecast.

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 policy win, that saw traders pencilling in more business friendly and inflationary policies going forward, while stronger than expected labour market data recently saw traders pushing back the next and only rate cut for 2025 to the December FOMC meeting. At its, the current Fed rate remains restrictive at this juncture, and as such, we opine that easing policy measures remains on track for the US. On the domestic front, favourable economic outlook and the implementation of RON95 subsidy retargeting in mid-2025 will likely keep MYR supported, as investors will most likely view the latter positively that the government is continuing to address its fiscal consolidation going forward.

	S2	S1	Indicative	R1	R2
USD/MYR	4.4816	4.4896	4.5122	4.5186	4.5371

USD/SGD



USD/SGD Neutral

USD/SGD opened 0.01% lower at 1.3714, spiked to as high as 1.3722 before largely trading within the 1.3706-1.3714 at the point of writing. Daily outlook is neutral, as investors will likely stay cautious ahead of the US CPI prints and Singapore's monetary policy decision, with downside risk noted given SGD strength and that the pair is traded near its overbought territory.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3631	1.3673	1.3709	1.3753	1.3791

MYR Crosses

SGD/MYR



SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.07% higher at 3.2887 before trending up to 3.2919 at the point of writing. Daily outlook is neutral-to-slightly bullish on SGD strength, benefitting from a risk-off environment. It will be quiet on the economic data front, with only the NODX on deck later in the week.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.2730	3.2797	3.2919	3.3028	3.3177

GBP/MYR



GBP/MYR Bearish

GBP/MYR opened 0.51% lower at 5.5050, slid to as low as 5.4982 before rebounding slightly to 5.5013 at the point of writing. Daily outlook is bearish as GBP/USD languishes at its lowest since November 2023 at around the 1.22 mark, hit by double whammy of USD strength post NFP print as well as a weak sterling on UK's fiscal concern. Nonetheless, this pair is trading near its oversold levels, thus losses will likely be capped at 5.4837 (S1) and 5.4732 (S2) today.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4732	5.4837	5.5013	5.5491	5.5650

AUD/MYR

AUD/MYR Neutral

AUD/MYR opened 0.17% lower at 2.7761 before paring some of these gains to trade at 2.7793 at the point of writing. We have a neutral outlook for this pair today, with the lower opening expected to be offset by AUD strength today. AUD/USD trended up to around 0.6160 level amid reports of local exporters buying into US jobs data-driven dip. On the Aussie front, labour market report will take centre stage with expectations for modest job gains and a slight uptick in the unemployment rate.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.7583	2.7715	2.7793	2.7894	2.7979

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 of 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.