

13 February 2025

Global Markets Research

Midday Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral

USD/MYR opened 0.13% higher at 4.4750 before paring some of these gains to trade at 4.4700 at the point of writing. Daily outlook is neutral as the DXY has largely traded sideways despite the jump in US CPI overnight and Powell’s comments that the Fed needs to keep policy rates restrictive for now to tame inflation, and traders pushing back rate cut bets to 4Q from 3Q previously. On the domestic front, BNM said that the bank is ready to curb excessive Ringgit volatility, while Malaysia’s structural reforms, strong economic fundamentals and prospects will keep MYR well supported. Next up is US PPI and jobless claims today, followed by Malaysia’s 4Q GDP tomorrow.

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. Amid more signs of upside of inflationary risks and solid economic environment, this saw traders pushing back the next rate cut to 4Q. That said, the current Fed rate remains slightly 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	4.4451	4.4571	4.4700	4.4781	4.4871

USD/SGD



USD/SGD Neutral

USD/SGD opened flat at 1.3538 before trending down to 1.3526 at the point of writing. Daily outlook is neutral as we expect investors to stay cautious ahead of possible reciprocal tariffs announcement by Trump today and ahead of Singapore's final revision to its 4Q and 2024 GDP tomorrow morning.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3464	1.3501	1.3526	1.3579	1.3620

MYR Crosses

SGD/MYR



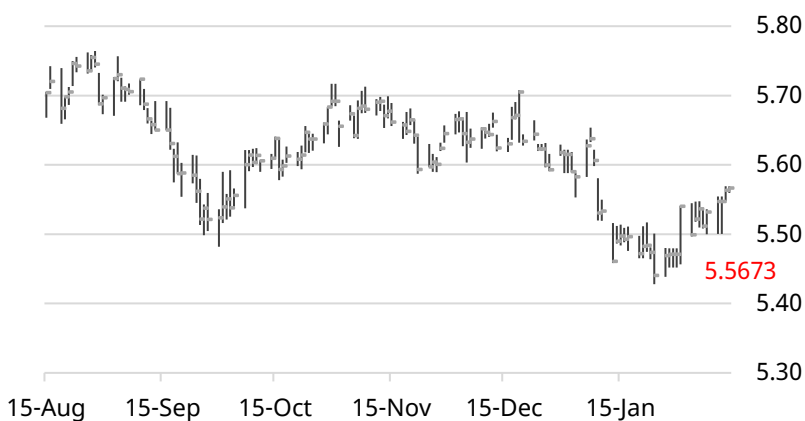
SGD/MYR Bullish

Neutral-to-Slightly

SGD/MYR opened 0.03% higher at 3.3045, traded within 3.3008-3.3070 before setting at 3.3046 at the point of writing. Daily outlook is neutral-to-slightly bullish on expectations that a risk-off mood will benefit SGD rather than MYR and this is also reflected by SGD strength against regionals this morning. The next key risk for this pair being their GDP prints scheduled for release tomorrow.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.2862	3.2948	3.3046	3.3089	3.3144

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.06% higher at 5.5668 before strengthening to 5.5673 at the point of writing. While noting GBP strength against regionals, we prefer to stay neutral pending the release of UK's GDP print today, where expectations is that it will hold steady at +0.1% m/m in December.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5387	5.5510	5.5673	5.5727	5.5817

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.11% higher at 2.8089 before paring some of these gains to trade at 2.8066 at the point of writing. We prefer to stay neutral for this pair today as investors await more tariff news, and in a tug of war between MYR and AUD weakness this morning.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.7963	2.8011	2.8066	2.8135	2.8211

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:

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