

21 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 0.57% lower at 4.4675 before paring some of these losses to trade at 4.4762 at the point of writing. Daily outlook is neutral-to-slightly bearish given the lower opening but we expect trading to be volatile ahead and losses to narrow as traders wait for more clarity on Trump’s tariff stance. While Trump has avoided the tariff talk in his inauguration speech, he said that he is thinking of enacting previously threatened 25% tariff on Canada and Mexico by February 1, helping to keep the Dollar supported today.

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 tamer than expected US PPI and CPI bringing forward the next and only rate cut for 2025 to the July 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	4.4181	4.4500	4.4762	4.5032	4.5133

USD/SGD



USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.3564 before trending up to 1.3694 at the point of writing. Daily outlook is neutral-to-slightly bullish given the upper trajectory post opening, facing R1 and R2 at 1.3662 and 1.3760 today. It will be data light on the US front today, while traders will be watching out for Singapore's MAS decision later this week.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3434	1.3499	1.3594	1.3662	1.3760

MYR Crosses

SGD/MYR



SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.77% higher at 3.3162 before losing its lustre to trade at 3.2922 at the point of writing. Daily outlook is neutral-to-slightly bearish with the higher opening offset by SGD weakness and MYR strength against regionals today, the former weighed down by concerns of a monetary policy pivot to easing and the latter supported by a status quo for OPR tomorrow.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.2530	3.2725	3.2922	3.2965	3.3023

GBP/MYR



GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.69% higher at 5.5097 before paring some of these gains to trade at 5.4970 at the point of opening. Daily outlook is neutral-to-slightly bullish on account of the higher opening, but the direction of the sterling this afternoon will hinge on the labour numbers for the UK. Consensus is expecting employment change to decelerate sharply, unemployment rate to inch up slightly but wage growth to remain elevated.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4460	5.4589	5.4970	5.5106	5.5429

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.74% higher at 2.8063 before paring some of these gains to trade at 2.7934 at the point of writing. Daily outlook is neutral-to-slightly bullish given the higher opening but gains will likely narrow as the relief rally reversed in early Asian trade and the AUD/USD tumbled to 0.6243 at the point of writing.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.7755	2.7805	2.7934	2.8037	2.8178

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 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.