

22 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 0.07% lower at 4.4727 and slid to 4.4525 at the point of writing. Daily outlook is neutral-to-slightly bearish on account of MYR strength today, supported by cautious risk appetite in the financial markets and expectations that the BNM will maintain its monetary policy pause today on growth optimism and inflation risks. Losses will nonetheless be capped given market uncertainty over Trump’s tariff stance, which saw the Dollar whipsawing 107.93-108.79 overnight.

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 2. 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	4.4137	4.4417	4.4525	4.4868	4.4977

USD/SGD



USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.3528 before strengthening to 1.3544 at the point of writing. Daily outlook is neutral-to-slightly bullish as the DXY held steady above the 108-handle, facing R1 and R2 at 1.3591 and 1.3655 today. Key risk remains on Trump speak, and to a certain degree, US leading index tonight followed by Singapore's monetary policy decision later in the week.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3453	1.3490	1.3544	1.3591	1.3655

MYR Crosses

SGD/MYR



SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.36% higher at 3.3039 before erasing all of its gains to trade at 3.2854 at the point of writing. Daily outlook is neutral-to-slightly bearish given SGD weakness and MYR strength against regionals today. As mentioned, BNM's monetary policy decision and statement will be key watch for this pair today, but the pair should be firmly supported at 3.2730 today barring any surprises.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.2541	3.2730	3.2854	3.3135	3.3351

GBP/MYR



GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.61% higher at 5.5160 before paring some of these gains to trade at 5.4949 at the point of writing. Daily outlook is neutral-to-slightly bullish given the higher opening, but gains likely to narrow for the rest of the day in anticipation of GBP weakness today. This followed the weaker than expected UK labour data, and reaffirmed our rate cut bets next month.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4390	5.4607	5.4949	5.5348	5.5827

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.39% higher at 2.8002 before taking a dive to 2.7910 at the point of writing. Consequently, we have a neutral outlook for this pair today, eyeing trading range between 2.7698-2.8090. As it is, the weaker than expected leading index on the Aussie front does not bode well for AUD today and next key risk for Australia will be its PMIs later in the week.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.7504	2.7698	2.7910	2.8090	2.8288

Source: Bloomberg, HLBB Global Markets Research

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