

28 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 0.02% lower at 4.3793 before rebounding to 4.3900 at the point of writing. A risk-off mood in the financial markets and flight to haven assets will likely be the theme of the day today, likely benefiting USD rather than MYR today. With this, we have a neutral-to-slightly bullish outlook for this pair today, with gains likely capped at 4.4093 (R1) and 4.4538 (R1) ahead of the holiday shortened week as well as the FOMC meeting.

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 rate cut for 2025 to the June FOMC meeting. 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, 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	4.3563	4.3682	4.3900	4.4093	4.4538

USD/SGD



USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.3445 before trending up to 1.3516 at the point of writing. Daily outlook is neutral-to-slightly bullish given USD strength this morning against regional and G10 currencies, the latter seeing the DXY trending up to 107.73 at the point of writing. Before the FOMC decision, key risk today is the Conference Board's consumer confidence index as well as home price indicators.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3380	1.3412	1.3516	1.3528	1.3602

MYR Crosses

SGD/MYR

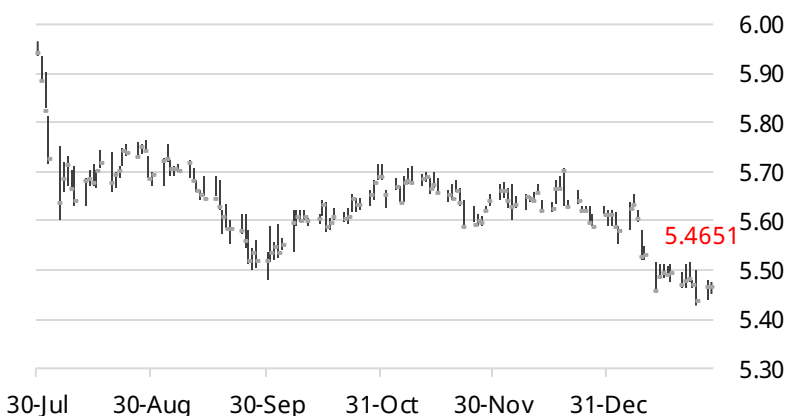


SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.30% lower at 3.2448 before paring some of these losses to trade at 3.2483 at the point of writing. We have a neutral-to-slightly bearish outlook for this pair today given the lower opening. Capping losses is its nearly oversold position and in anticipation that a risk-off environment would mostly likely benefit SGD rather than MYR.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.2313	3.2429	3.2483	3.2653	3.2761

GBP/MYR



GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.30% lower at 5.4525 before shaving its losses to trade at 5.4651 at the point of writing. Daily outlook is neutral-to-slightly bearish on account of the lower opening and as we expect no further upside for GBP today given a global risk off environment.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.4208	5.4449	5.4651	5.4866	5.5042

AUD/MYR



AUD/MYR Slightly Bearish

AUD/MYR opened 0.56% lower at 2.7406 before paring some of these losses to trade at 2.7479 at the point of writing. Daily outlook is slightly bearish on AUD weakness given a risk off mood, and as consumer confidence print this morning remains negative. That said, the pair is trading near oversold, and as such, losses will likely be capped at 2.7457 (S1) and 2.7353 (S2) today.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.7353	2.7457	2.7479	2.7679	2.7797

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.