

3 June 2025

Global Markets Research

Midday Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bearish

USD/MYR opened 0.54% lower at 4.2340 before paring some of these losses to trade a 4.2415 at the point of writing. Daily outlook is neutral-to-slightly bearish given MYR strength this morning, and on expectations that the renewed tariff policy uncertainties and weak US economic indicators overnight will likely weigh on sentiment for the Dollar today. Just a recap, both the ISM-manufacturing and construction spending data was weaker than expected, while today, we will be watching out for the JOLTS job survey data (Consensus: +7.1k in April vs +7.2k in Mar).

1-Month Outlook – USD/MYR Neutral-to-Slightly Bearish

We prefer to stay neutral-to-slightly bearish on USD/MYR as we expect the recent Dollar weakness to have more legs to run, as recent Moody's downgrade and tax cut bill intensify the spotlight on US' debt sustainability and revives a mini "sell-America" sentiment. Lingering concerns over the outcome of the trade negotiations and its repercussions on US growth will also continue to weigh on appetite for the greenback but that said, divergence in the policy tones between the Fed and BNM recently, namely a wait-and-see hawkish stance for the Fed and a dovish tweak for BNM, suggests a possibility of widening interest rate differential for the two policy rates, likely to cap losses for this pair. As it is, US labour market indicators remain decent for now while inflation prints have softened, giving FOMC leeway to stay the course, and potentially pushing back rate cuts to the later part of this year. With this, we are pencilling in 2 quarter point cuts in 2H for the US, but on the domestic front, the dovish tweaks in policy tone suggests odd of a 25bps OPR cut in the 2H of 2025.

	S2	S1	Indicative	R1	R2
USD/MYR	4.2025	4.2296	4.2415	4.2720	4.2870

USD/SGD

USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.2852 before trending up to 1.2866 at the point of writing. Daily outlook is neutral-to-slightly bullish given the upward trajectory post opening, with key risk on the Singapore front being its retail sales reading due later in the week.



	S2	S1	Indicative	R1	R2
USD/SGD	1.2805	1.2828	1.2866	1.2895	1.2939

MYR Crosses

SGD/MYR

SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.49% higher at 3.3132 but quickly lost its footing to trade below its flatline at 3.2966. Daily outlook is neutral-to-slightly bearish given that MYR outperformed its regional peers, while SGD lagged. It will be a quiet economic calendar domestically for the rest of the week post the release of PMI this morning, which ticked up from 48.6 to 48.8.

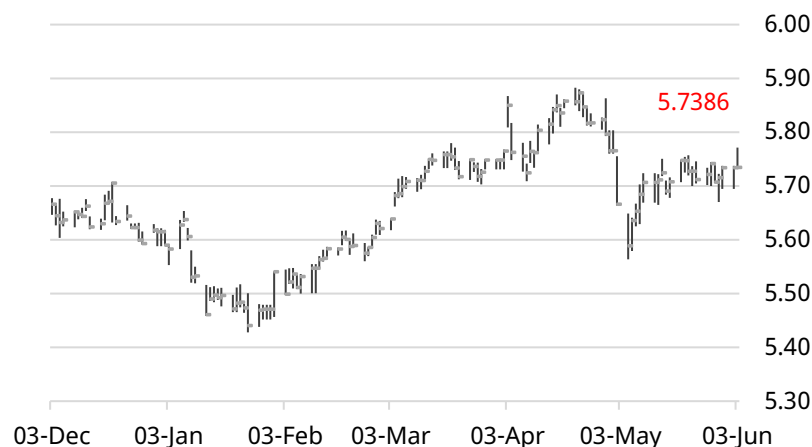


	S2	S1	Indicative	R1	R2
SGD/MYR	3.2845	3.2931	3.2966	3.3071	3.3103

GBP/MYR

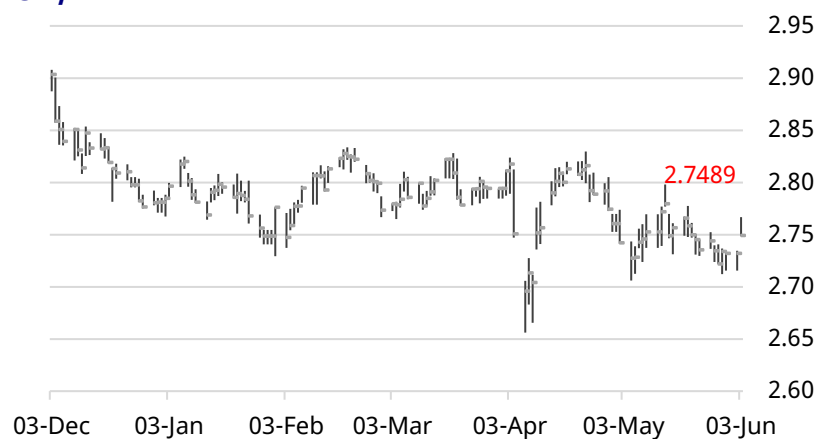
GBP/MYR Neutral

GBP/MYR opened 0.65% higher at 5.7710 before paring most of its gains to trade at 5.7386 at the point of writing. Daily outlook is neutral as we expect the gains to narrow given MYR strength and GBP weakness this morning, the latter seeing the GBP/USD trading lower at 1.3529 at the point of writing. It will be a relatively light economic calendar for the rest of the week, with only the final revision to UK's services PMI and CPI expectations on deck.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.6954	5.7231	5.7386	5.7684	5.7785

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 1.26% higher at 2.7663 before shedding most of its gains to trade at 2.7489 at the point of writing. Daily outlook is neutral-to-slightly bullish given the jump during opening, but expect gains to narrow as the disappointing China Caixin manufacturing PMI likely to weigh on AUD today.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.7381	2.7478	2.7489	2.7631	2.7687

Source: Bloomberg, HLBB Global Markets Research

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