

5 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 0.01% lower at 4.2460 and slid further to 4.2370 at the point of writing. Daily outlook is neutral-to-slightly bearish on account of MYR strength, while weaker-than-expected US economic data and lower treasury yields overnight will likely sap appetite for the greenback. Just a recap, US ISM services slipped into the negative zone, while ADP hiring data slowed sharply. With the recent mixed labour market indicators, investors will be on edge over the upcoming Challenger job cuts data today followed by the highly tracked non-farm payroll tomorrow.

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 | 4.2113 | 4.2295 | 4.2370 | 4.2561 | 4.2659 |

USD/SGD



USD/SGD Neutral-to-Slightly Bearish

USD/SGD opened 0.01% higher at 1.2863, traded within the 1.2843-1.2870 range before settling just below its flatline at 1.2860 at the point of writing. Daily outlook is neutral-to-slightly bearish, with losses likely capped given the upcoming labour reports from the US which will likely keep investors at the sideline.

| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| USD/SGD | 1.2807 | 1.2834 | 1.2860 | 1.2904 | 1.2947 |

MYR Crosses

SGD/MYR

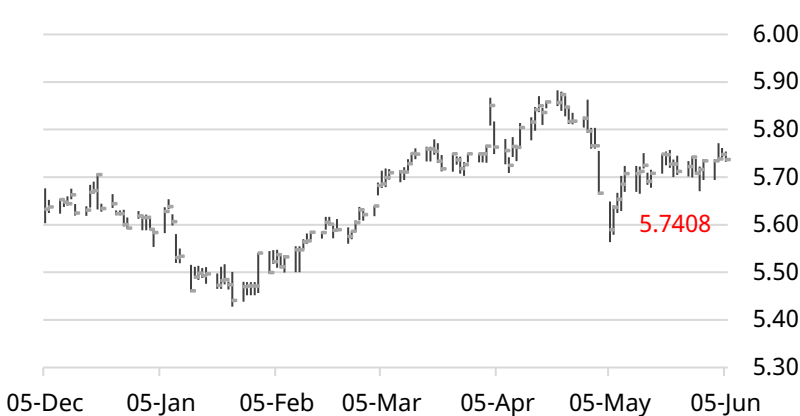


SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.26% higher at 3.3018 before paring some of these gains to trade at 3.2969 at the point of writing. Daily outlook is neutral-to-slightly bullish given the higher opening and that the SGD will be likely be well supported by upbeat expectations for Singapore's retail sales print due later today. As it is, consensus is expecting sales to accelerate to 1.7% in April from 1.1% previously.

| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| SGD/MYR | 3.2804 | 3.2867 | 3.2969 | 3.3011 | 3.3092 |

GBP/MYR

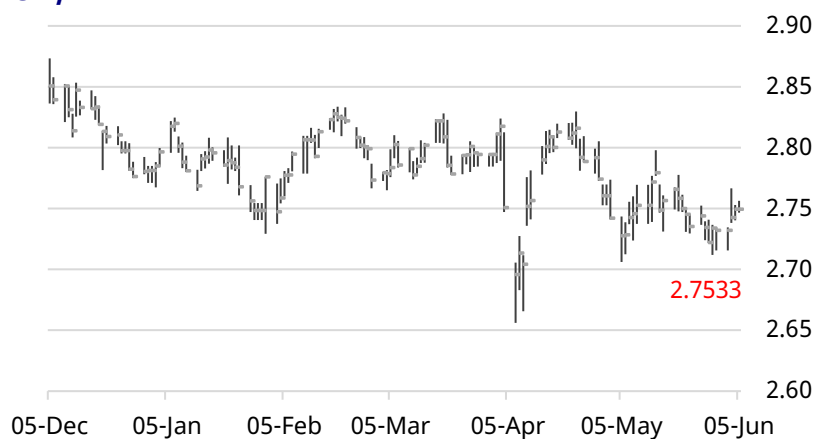


GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.11% higher at 5.7541 before quickly losing its momentum and more to trade at 5.7408 at the point of writing. Daily outlook is neutral-to-slightly bearish given MYR strength and as GBP/USD trades in the red at 1.3544 at the point of writing. On the British front, DMP CPI expectations are on deck today.

| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| GBP/MYR | 5.7251 | 5.7363 | 5.7408 | 5.7599 | 5.7723 |

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.23% higher at 2.7555, but pared some of these gains to trade at 2.7533 at the point of writing. Daily outlook is neutral-to-slightly bullish as AUD/USD trades firmer at 0.6496 at the point of writing. That said, this is off its session high of 0.6509 today, amid mixed data prints from the Aussie and China front.

| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| AUD/MYR | 2.7348 | 2.7420 | 2.7533 | 2.7546 | 2.7600 |

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.