

6 May 2025

Global Markets Research

Midday Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Slightly Bullish

USD/MYR opened 0.08% lower at 4.1980, before quickly rebounding to 4.2367 at the point of writing. Daily outlook is slightly bullish given the upper trajectory post opening. The pair remains oversold, and as a risk-off environment and Moody's flagging concerns that the tariff shocks posed a major threat to Malaysia's sovereign credit rating as well as downside risks to its growth projection of 5% this year will not bode well for MYR today. Next up on deck for this pair is US trade data for March, where expectations are that the trade deficit will widen sharply due to front-loading of imports.

1-Month Outlook – USD/MYR Neutral

We prefer to stay neutral on USD/MYR, as we expect investors to continue to tread cautiously despite thawing US-China trade tension, in a tug of war between nervousness over growth and concerns over rising press pressures from the recent slew of tariffs. At the point of writing, economic and labour market indicators have remained resilient albeit cooler, giving the central bank leeway to assess the impact from the tariffs and lending continuous support for the Dollar for the next month. We nonetheless expect a pulling back in the second half of the year with the impact from the tariff hikes more profoundly felt, in line with our expectations for three 25bps rate cuts this year, and a softer Dollar towards end-2025. On the domestic front, we expect the BNM to maintain its OPR rate to fully assess the development and impact from the new tariffs to the economy, as such, continuously lend some support MYR for the next month. However, any dovish shift at the May MPC meeting may have some knee-jerk repercussions on MYR movement.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1455	4.1734	4.2367	4.2431	4.2849

USD/SGD

USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.2893, strengthened as high as 1.2972 before losing some of its momentum to trade at 1.2948 at the point of writing. Daily outlook is neutral-to-slightly bullish, but expect gains to narrow on SGD strength this morning. Upside is capped at 1.3078 (R1) for now.



	S2	S1	Indicative	R1	R2
USD/SGD	1.2613	1.2768	1.2948	1.3078	1.3233

MYR Crosses

SGD/MYR

SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.31% lower at 3.2553 before erasing all its losses to trade at 3.2731 at the point of writing. Daily outlook is neutral-to-slightly bullish on SGD strength and as the pair continues to trade near its oversold position. Upbeat Singapore data from the rebound in retail sales and slight uptick in S&P PMI is also a boon for SGD today.

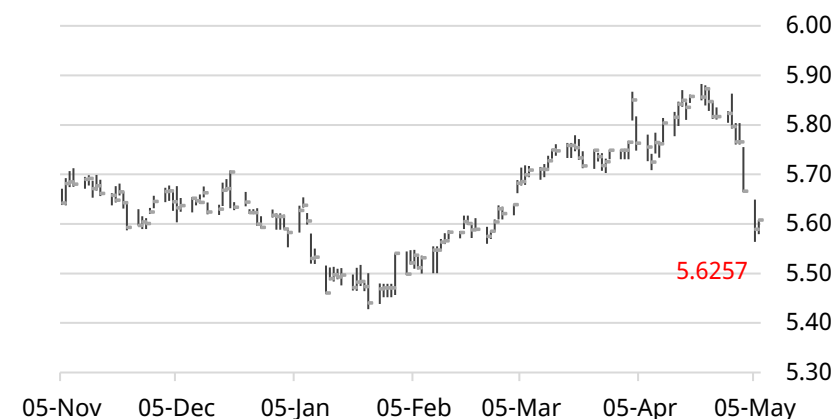


	S2	S1	Indicative	R1	R2
SGD/MYR	3.1724	3.2175	3.2731	3.3077	3.3528

GBP/MYR

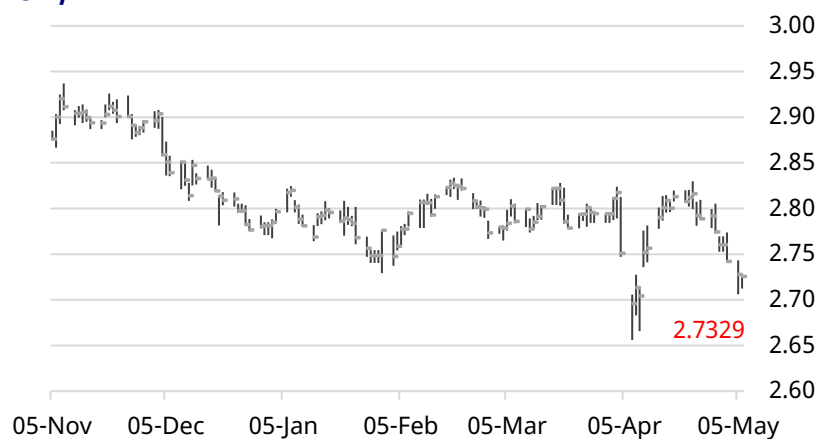
GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.17% lower at 5.5792 but quickly shed these losses to trade at 5.6257 at the point of writing. Daily outlook is neutral-to-slightly bullish as the pair continues to trade near its oversold position. Upside will however be capped given cautiousness ahead of BOE and BNM's decisions later in the week.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.5132	5.5510	5.6257	5.6393	5.6898

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.55% lower at 2.7123 before rebounding to 2.7329 at the point of writing. We are neutral-to-slightly bullish for this pair given the upper trajectory post opening, but expect gains to be capped after Australia's household spending data, and China's Caixin PMI Services print underperformed consensus forecasts.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.6506	2.6881	2.7329	2.7631	2.8006

Source: Bloomberg, HLBB Global Markets Research

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