

9 May 2025

Global Markets Research

Midday Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Bullish

USD/MYR opened 0.13% higher at 4.2875 and strengthened further to 4.3240 at the point of writing. Daily outlook is bullish as optimism over trade deals and higher UST yields saw the Dollar gaining further momentum against all regional currencies and G10 peers this morning. The DXY was seen trending up to 100.78 at the point of writing. At the same time, dovish tilt to BNM's MPC statement and a cut in SRR did not augur well with MYR investors this morning, sending MYR to weaken against most regional and G10 currencies. It will be an empty economic calendar for the US and Malaysia today, as such key risk will lie on US-China trade negotiation this weekend.

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

We prefer to stay neutral-to-slightly bullish on USD/MYR over a one-month horizon, as we believe the sell-off in USD/Asia FX is overdone, and thus, could likely correct higher in the next month. Moreover, the divergence in the policy tones between the Fed and BNM recently, 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 Fed funds rate and OPR as soon as July, lending support for the USD in the near term and not boding well for the MYR. No doubt, investors will likely to continue to tread cautiously amid the slew of trade negotiations, risk-on and risk-off sentiment, and with the 10% tariff largely still intact, concerns over the negative effect of tariff shocks on growth and upward pressure on inflation. At the point of writing, a solid economic and labour market indicators recently will give Fed leeway to maintain status quo for now, and we are maintaining our three 25bps rate cuts this year. On the domestic front, the BNM maintained its OPR rate in the latest MPC meeting, but the dovish tweaks in policy tone suggests increasing odd of an OPR cut in the 2H and as early as July, in line with our house view of a 25bps rate cut in 3Q of 2025.

| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| USD/MYR | 4.2815 | 4.2966 | 4.3240 | 4.3391 | 4.3652 |

USD/SGD

USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened 0.02% lower at 1.3008, but quickly rebounded to 1.3020 at the point of writing. Daily outlook is neutral-to-slightly bullish on USD strength, heading towards 1.3042 (R1) today.



| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| USD/SGD | 1.2897 | 1.2953 | 1.3020 | 1.3042 | 1.3075 |

MYR Crosses

SGD/MYR

SGD/MYR Slightly Bullish

SGD/MYR opened 0.31% lower at 3.2930 but made a sharp rebound to 3.3205 at the point of writing. Daily outlook is slightly bullish on SGD strength against regionals this morning, facing resistance at 3.3272 (R1) today.



| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| SGD/MYR | 3.2570 | 3.2801 | 3.3205 | 3.3272 | 3.3623 |

GBP/MYR

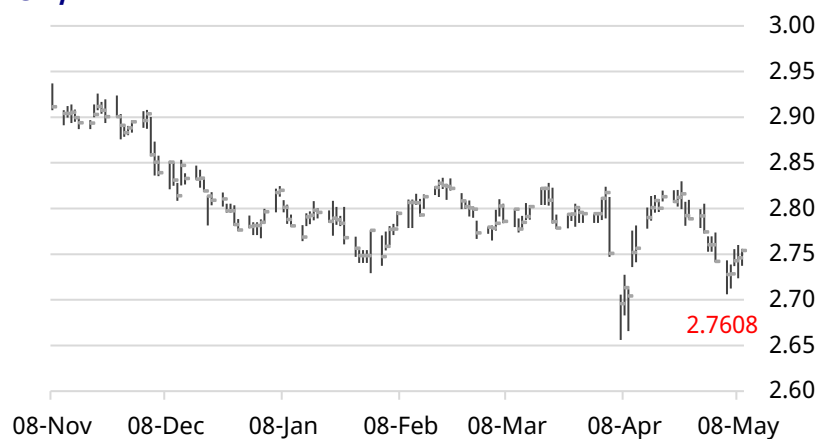
GBP/MYR Slightly Bullish

GBP/MYR opened 0.27% lower at 5.6690 before paring all its losses to trade at 5.7137 at the point of writing. Daily outlook is slightly bullish given the upper trajectory post opening and as GBP continues to outperform most of its G10 peers on optimism over the US-UK trade deal. That said, we expect the impact from the deal on the UK economy to be limited, given that the scope of relief was limited to cars, steel and aluminium.



| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| GBP/MYR | 5.5982 | 5.6414 | 5.7137 | 5.7462 | 5.8202 |

AUD/MYR



AUD/MYR Slightly Bullish

AUD/MYR opened 0.29% lower at 2.7377 before quickly making a jump to 2.7608 at the point of writing. Daily outlook is slightly bullish as we expect optimism over the US-China trade negotiation will lend some support for the AUD today. That said, China is set to release its April's trade data today and price prints over the weekend, and this could weigh on AUD if they disappoint.

| | S2 | S1 | Indicative | R1 | R2 |
|---------|--------|--------|------------|--------|--------|
| AUD/MYR | 2.7069 | 2.7262 | 2.7608 | 2.7793 | 2.8155 |

Source: Bloomberg, HLBB Global Markets Research

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