12 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 0.03% lower at 4.2355, and nudged further down to 4.2230 at the point of writing. Daily outlook is neutral-to-slightly bearish as overnight USD weakness was seen extending to this morning's trading, as a cooler than expected US CPI spurred Fed rate cut bets. Market pricing for Fed rate cuts rose to 52bps currently, from 43-44bps pre-CPI. However, downside to the pair could potentially be capped by renewed trade angst, as President Trump said he will set unilateral tariff rates within the next two weeks, as well as escalating tension in the Middle-east. Meantime, the slower than expected growth in Malaysia IPI for the month of April has had little impact on the MYR. Focus will shift to US PPI tonight, for more clues of the tariff impact on inflation at the producers level, which should serve as a prelude to CPI in the months ahead.

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 lingering concerns over the outcome of the trade negotiations and its repercussions on US growth will also continue to weigh on sentiment 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, will likely 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	4.2000	4.2120	4.2230	4.2397	4.2438

USD/SGD

USD/SGD Neutral-to-Slightly Bearish

USD/SGD opened flat at 1.2847 and was seen trading lower to 1.2823 before rebounding to 1.2829 at the point of writing. Daily outlook is neutral-to-slight bearish on the back of lingering USD weakness, but will likely be supported above 1.2800 (S1) for now. That said, any further build-up in risk aversion may push the pair lower as the SGD is viewed as one of the safe currencies in the region.

	S2	S1	Indicative	R1	R2
USD/SGD	1.2785	1.2800	1.2829	1.2854	1.2883

MYR Crosses

SGD/MYR

SGD/MYR Neutral-to-Slightly Bullish

SGD/MYR opened 0.21% higher at 3.3003, rallied further to 3.3010 before paring gains to 3.2957 at the point of writing. Daily outlook is neutral-to-slightly bullish in anticipation of a firmer SGD vis-à-vis the MYR amid the haven appeal in SGD. The pair may test R1 (3.3018) today, a break of which will lead the pair towards 3.3069-3.3080 levels next.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.2896	3.2936	3.2957	3.3018	3.3069

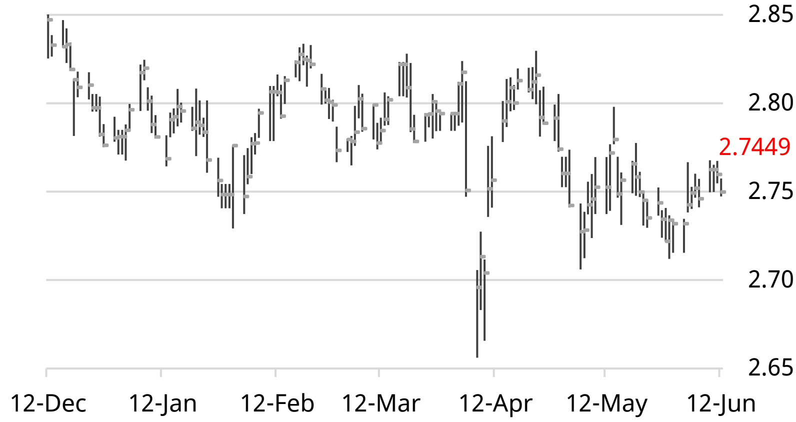
GBP/MYR

GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.52% higher at 5.7484, pulled back to a low of 5.7280 but has since bounced back up to 5.7411 at the point of writing. Daily outlook is neutral-to-slightly bullish on the back of a strengthening GBP/USD spurred by UK's fiscal spending plans.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.7265	5.7300	5.7411	5.7494	5.7609

AUD/MYR



AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 0.08% lower at 2.7575 and fell all the way to 2.7449 at the point of writing, though off the low of 2.7407. Daily outlook is neutral-to-slightly bearish as risk-off sentiments amid renewed trade and geopolitical tension is dampening the AUD. The selloffs in the Aussie intensified after data showed a spike in Asutralian consumer inflation expectations to 5.0% for Jun (May: 4.1%), its highest since 2023.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.7232	2.7303	2.7449	2.7500	2.7559

Source: Bloomberg, HLBB Global Markets Research

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