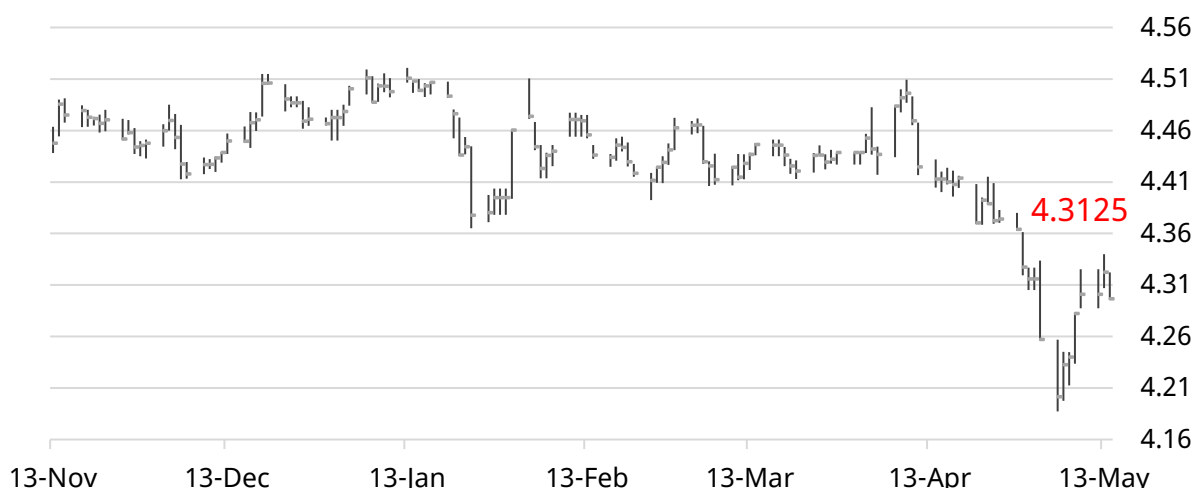


14 May 2025

Global Markets Research

Midday Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bearish

USD/MYR opened flat at 4.3222 before trending down to 4.3125 at the point of writing. Daily outlook is neutral-to-slightly bullish on broad MYR strength this morning, as easing US-China trade tension saw investors continuously piling up on risky currencies like AUD and MYR today. On the Dollar front, softer US CPI and mildly lower Treasury yields does not bode well for the currency, reflected in the DXY sliding below the 101-handle in early morning trade. It will be a relatively light economic calendar today, with only US mortgage applications on deck but we will be watching out for the 1st tier US retail sales and IPI prints due to be released tomorrow.

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, growing hopes for a continued de-escalation in the tariff tension, 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, 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, flip between risk-on and risk-off sentiments, 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 stay the course 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, in line with our house view of a 25bps rate cut in 3Q of 2025.

	S2	S1	Indicative	R1	R2
USD/MYR	4.2571	4.2901	4.3125	4.3391	4.3561

USD/SGD

USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.3011 before trending up to 1.3015 at the point of writing. Daily outlook is neutral-to-slightly bullish given SGD weakness, but gains likely capped given the lack of economic drivers for this pair today.



	S2	S1	Indicative	R1	R2
USD/SGD	1.2971	1.2991	1.3015	1.3048	1.3085

MYR Crosses

SGD/MYR

SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.29% higher at 3.3212 but made a sharp retreat to 3.3113 at the point of writing. This is just a shade below its previous close, and as such, we have a neutral-to-slightly bearish outlook for this pair today. Key risk largely lies on Friday, where Singapore's April NODX and Malaysia's 1Q GDP prints are due to be released.

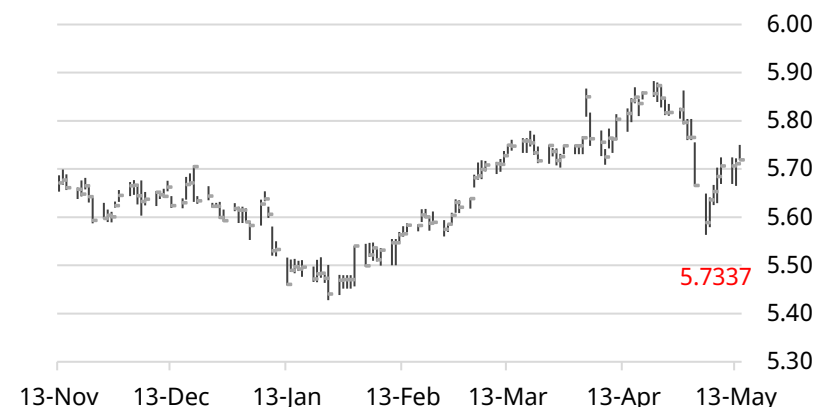


	S2	S1	Indicative	R1	R2
SGD/MYR	3.2739	3.2928	3.3113	3.3293	3.3469

GBP/MYR

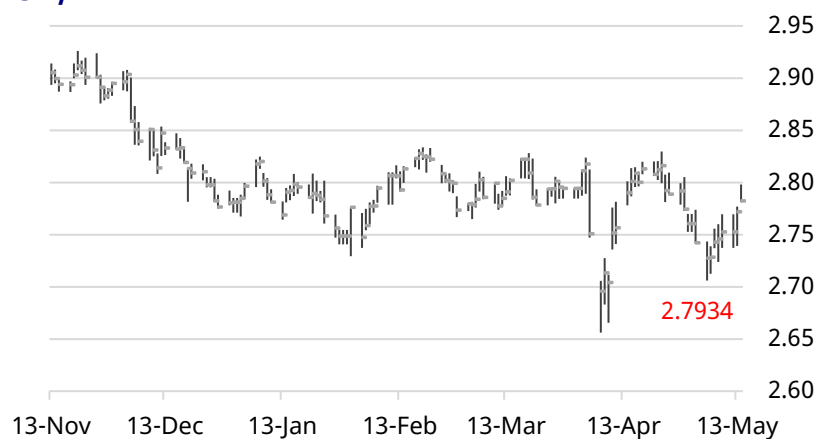
GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.68% higher at 5.7503 before losing some of its lustre to trade at 5.7337 at the point of writing. Daily outlook is neutral-to-slightly bullish given the higher opening. UK's 1Q GDP is on deck later today, where expectations are it will accelerate to +0.6% q/q from +0.1% q/q in 4Q24. Any over or underperformance will be the swing factor for this pair today.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.6422	5.6767	5.7337	5.7341	5.7570

AUD/MYR



AUD/MYR Bullish

AUD/MYR opened 0.93% higher at 2.7976 but pared some these gains to trade at 2.7934 at the point of writing. We have a bullish outlook for this pair today, as the AUD/USD clings firmly above the 0.6470 handle following the stronger wage growth data released this morning.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.7247	2.7482	2.7934	2.8003	2.8381

Source: Bloomberg, HLBB Global Markets Research

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