

16 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 0.02% lower at 4.2820 and slid further to 4.2660 at the point of writing. Daily outlook is neutral-to-slightly bearish as emerging currencies like MYR appear to have strengthened against greenback after the weak US data overnight bolstered rate cut bets, while on the domestic front, expectations of a slight upward revision in its Malaysia's GDP will also lend further support to MYR. Just a recap, data showed that US consumer spending and manufacturing output pulled back in April after 1Q's front-loading boosts, while producer price inflation remains muted for now. Next up will be on US import prices and May's University of Michigan consumer sentiment index due for release today.

#### 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, 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 Fed funds rate and OPR, lending support for the USD in the near term and not boding well for the MYR. The temporary relief from the 90-day trade truce between the US and China, still decent labour market indicators and softer inflation prints recently will give the FOMC leeway to stay the course for now, and potentially pushing back rate cuts to the later part of 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	4.2331	4.2604	4.2660	4.2989	4.3150

## USD/SGD

### USD/SGD Neutral-to-Slightly Bearish

USD/SGD opened flat at 1.2977 before sliding to 1.2964 at the point of writing. We have a neutral-to-slightly bearish outlook for this pair today given USD weakness and SGD strength today, with the better than expected NODX prints this morning providing added boost to the SGD. On the US front, we expect import prices to remain tame like PPI, and expect consumer sentiment to improve slightly.



	S2	S1	Indicative	R1	R2
USD/SGD	1.2921	1.2949	1.2964	1.3016	1.3055

## MYR Crosses

### SGD/MYR

### SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.15% higher at 3.3026 before quickly losing its momentum to trade below its flatline at 3.2912 at the point of writing. Daily outlook is thus neutral-to-slightly bearish, with losses likely capped given the upward surprise in Singapore's NODX. The next risk for the pair today will be the release of Malaysia's final 1Q GDP print at noon but there should not be any big surprises that could swing the pair today.

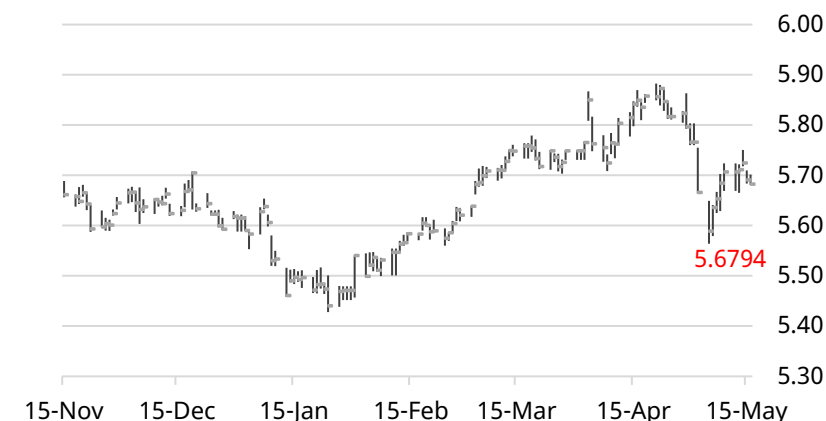


	S2	S1	Indicative	R1	R2
SGD/MYR	3.2668	3.2835	3.2912	3.3072	3.3169

### GBP/MYR

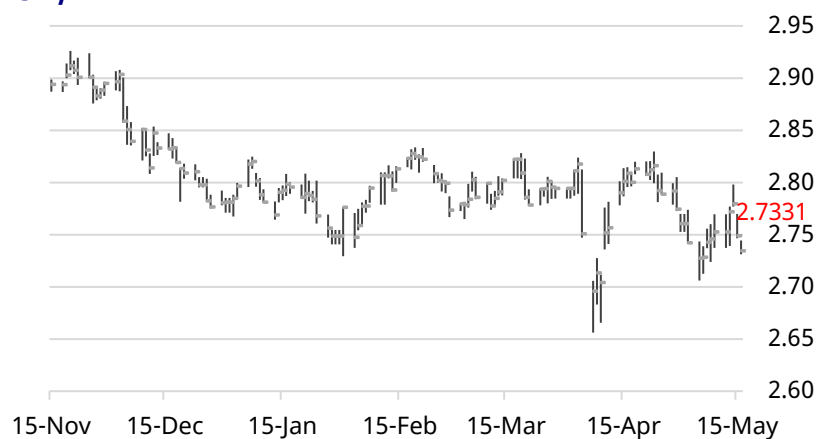
### GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.12% higher at 5.6976 before making a sharp retreat at the point of writing. Daily outlook is neutral-to-slightly bearish given broad MYR strength this morning, but losses likely capped as we expect GBP to be firmly supported given the strong 1Q GDP overnight. In fact, the sterling strengthened further to 1.3315 at the point of writing against the Dollar.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.6425	5.6686	5.6794	5.7058	5.7208

## AUD/MYR



## AUD/MYR Slightly Bearish

AUD/MYR opened 0.20% lower at 2.7429 and weakened further to 2.7331 at the point of writing. Daily outlook is slightly bearish, hit by double whammy of MYR strength and AUD weakness. AUD/USD trended lower towards the 0.6400 handle at the point of writing, in line with lower bond yields and despite the strong labour and wage growth prints recently.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.7086	2.7318	2.7331	2.7633	2.7782

Source: Bloomberg, HLBB Global Markets Research

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