

19 May 2025

Global Markets Research

Midday Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

USD/MYR opened 0.15% higher at 4.3000 and climbed further to 4.3108 at the point of writing. Daily outlook is neutral-to-slightly bullish, but gains likely capped given expectations of broad USD and MYR weakness today, as the US sovereign rating downgrade by Moody's will likely weigh on appetite for US assets as well as risky currencies. This week, the preliminary PMI will provide us with an initial glimpse at how US economic activity is holding up thus far in May, while Malaysia is set to release its CPI and trade numbers for April, eyeing trading range between 4.2425 – 4.3225 for the week.

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 odd of a 25bps OPR cut in the 2H of 2025.

	S2	S1	Indicative	R1	R2
USD/MYR	4.2526	4.2732	4.3108	4.3168	4.3489

USD/SGD

USD/SGD Neutral-to-Slightly Bearish

USD/SGD opened 0.02% lower at 1.3002 and nudged down to 1.2985 at the point of writing. Daily outlook is neutral-to-slightly bearish as the SGD will likely be supported given its relatively safe status, but the pair will likely be supported at 1.2919 (S1) today.



	S2	S1	Indicative	R1	R2
USD/SGD	1.2853	1.2919	1.2985	1.3028	1.3051

MYR Crosses

SGD/MYR

SGD/MYR Slightly Bullish

SGD/MYR opened 0.01% higher at 3.3075 before trending up further to 3.3197 at the point of writing. Daily outlook is slightly bullish given SGD strength, with the key risk on the Singapore front being the final 1Q GDP due for release on Thursday.



	S2	S1	Indicative	R1	R2
SGD/MYR	3.2820	3.2946	3.3197	3.3242	3.3453

GBP/MYR

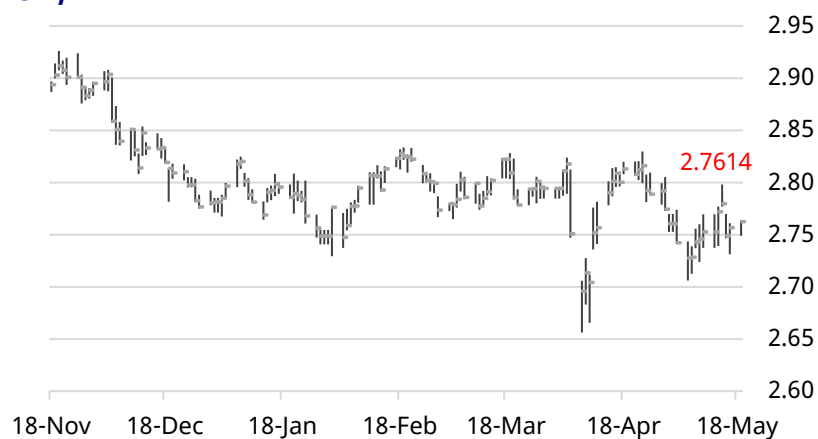
GBP/MYR Slightly Bullish

GBP/MYR opened 0.10% higher at 5.7130 before trending up to 5.7319 at the point of writing. Daily outlook is slightly bullish given GBP strength against regionals and as GBP/USD rebounded to above the 1.3300 handle at the point of writing. Last week, we saw better than expected 1Q GDP print from the UK which have lent support for GBP, and this week, we will be watching out for UK CPI and PMIs.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.6626	5.6820	5.7319	5.7382	5.7760

AUD/MYR



AUD/MYR Neutral-to-Slightly Bullish

AUD/MYR opened 0.16% lower at 2.7520 before rebounding to 2.7614 at the point of writing. Daily outlook is neutral-to-slightly bullish given AUD strength against regionals this morning, but gains likely capped in anticipation that RBA will deliver a hawkish cut in its policy meeting tomorrow and amid a slew of mixed prints from China today.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.7199	2.7381	2.7614	2.7677	2.7791

Source: Bloomberg, HLBB Global Markets Research

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