

20 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 0.12% higher at 4.2958 before paring all its gains to trade at 4.2887 at the point of writing. Daily outlook is neutral-to-slightly bearish on broad MYR strength this morning, likely in anticipation that Malaysia's export numbers will remain robust at +7.5% y/y in April after March's +6.8% y/y. On the Dollar front, the greenback traded mixed against Asian currencies, but continues to trade on a weaker note against its G10 peers after Moody's downgrade of US credit rating, while a sharper fall in the leading index also does not bode well for the USD today. Economic data remains sparse on the US front with only the Philly non-manufacturing index on deck 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 odd of a 25bps OPR cut in the 2H of 2025.

	S2	S1	Indicative	R1	R2
USD/MYR	4.2747	4.2827	4.2887	4.3063	4.3219

## USD/SGD

### USD/SGD Neutral

USD/SGD opened flat at 1.2947, traded within the 1.2946-1.2966 range before settling at 1.2950 at the point of writing. Daily outlook is neutral, eyeing trading range between 1.2919-1.2989 today with little risk from the economic data front but there will be a slew of Fed speaks today.



	S2	S1	Indicative	R1	R2
USD/SGD	1.2892	1.2919	1.2950	1.2989	1.3032

## MYR Crosses

### SGD/MYR

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

SGD/MYR opened 0.09% lower at 3.3131 and inched down to 3.3128 at the point of writing. Daily outlook is neutral-to-slightly bearish given MYR strength, and with key risk being Malaysia's trade data due later today. This pair is expected to be firmly supported at 3.3060 (S1).

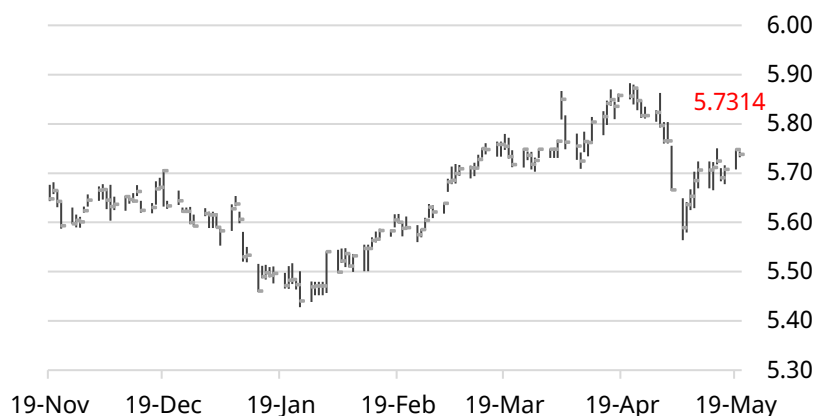


	S2	S1	Indicative	R1	R2
SGD/MYR	3.2958	3.3060	3.3128	3.3245	3.3328

### GBP/MYR

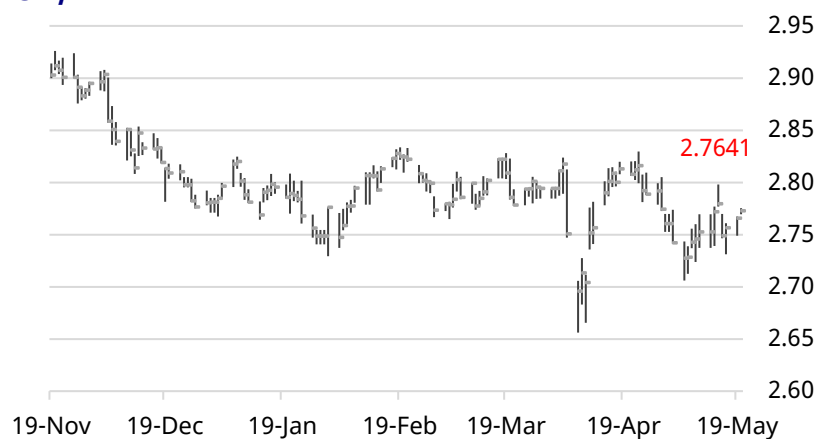
### GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.27% lower at 5.7320 and slid further to 5.7314 at the point of writing. Daily outlook is neutral-to-slightly bearish given MYR strength. As it is, the UK-EU post-Brexit reset deal is a slight positive for the UK economy in our opinion, but unlikely be a game changer given headwinds from the Autumn Budget and higher tariffs.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.6932	5.7204	5.7314	5.7618	5.7760

## AUD/MYR



## AUD/MYR Neutral

AUD/MYR opened 0.14% higher at 2.7694 before losing its momentum to trade at 2.7641 at the point of writing. We prefer to stay neutral for this pair today, pending release of RBA's decision at noon today, and more important, any surprises on the tone of its statement. As it is, market is expecting the RBA to deliver a hawkish 25bps cut in its policy rate to 3.85%.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.7424	2.7540	2.7641	2.7790	2.7973

Source: Bloomberg, HLBB Global Markets Research

**Hong Leong Bank Berhad**

Fixed Income &amp; Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email:

**DISCLAIMER**

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter.

Potential and actual conflict of interest may arise from the activities of HLB Group. HLB Group constitute a diversified financial services group. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and other activities for their own account or the account of others. In the ordinary course of their business, HLB Group may effect transactions for their own account or for the account of their customers and hold long or short positions in the financial instruments. HLB Group, in connection with its business activities, may possess or acquire material information about the financial instruments. Such activities and information may involve or have an effect on the financial instruments. HLB Group have no obligation to disclose such information about the financial instruments or their activities.

The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favorable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.