

21 May 2025

Global Markets Research

Midday Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Slightly Bearish

USD/MYR opened 0.16% lower at 4.2907 before sliding to 4.2765 at the point of writing. Daily outlook is slightly bearish on broad USD weakness and MYR strength today, the latter supported by the robust export prints yesterday, and while investors will likely trade USD on a guarded note awaiting any developments on both trade and non-trade front from the G7 meeting in Canada, and on concerns that the bill on tax cut could worsen US budget deficit. Economic data remains sparse today, with only the US mortgage applications on deck.

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	4.2505	4.2730	4.2765	4.3077	4.3180

USD/SGD

USD/SGD Neutral-to-Slightly Bearish

USD/SGD opened 0.01% lower at 1.2951 before trading down to 1.2930 at the point of writing. Daily outlook is neutral-to-slightly bearish on USD strength, but losses likely capped at 1.2916 (S1) given cautiousness ahead of the final revision to Singapore's 1Q GDP print due for release early tomorrow morning.



	S2	S1	Indicative	R1	R2
USD/SGD	1.2880	1.2916	1.2930	1.2970	1.2988

MYR Crosses

SGD/MYR

SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.07% higher at 3.3196 but quickly erased all gains to trade at 3.3076 at the point of writing. Daily outlook is neutral-to-slightly bearish with key risks lie in tomorrow's data. Final Singapore's 1Q GDP growth is expected to be revised lower by 0.2ppts to 3.6%, likely to weigh on SGD today, while Malaysia's April CPI is expected to hold steady at 1.4%.

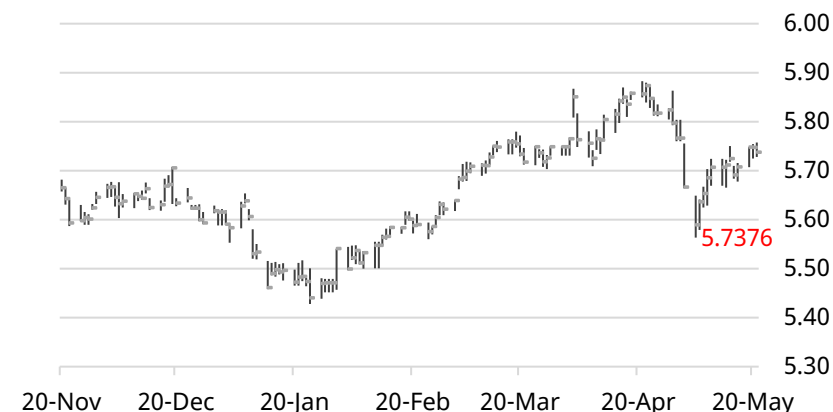


	S2	S1	Indicative	R1	R2
SGD/MYR	3.2870	3.3014	3.3076	3.3238	3.3302

GBP/MYR

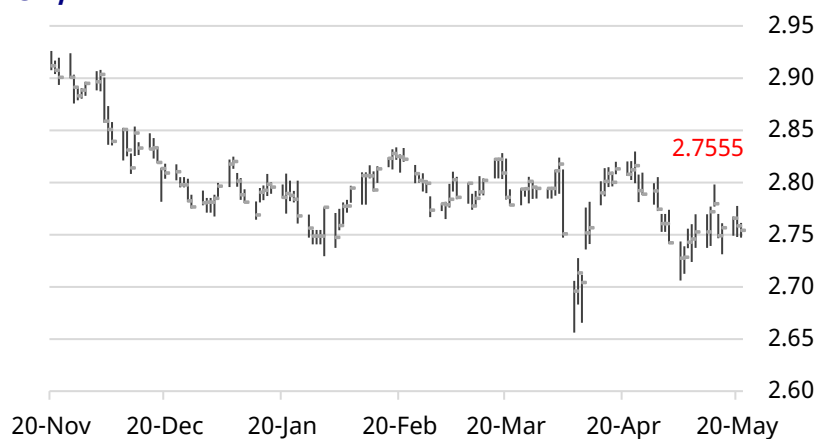
GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.18% higher at 5.7573 before making a sharp retreat to 5.7376 at the point of writing. Daily outlook is neutral-to-slightly bearish, but losses likely capped given expectations of a sharp acceleration in UK's CPI for April. The data is due for release in the afternoon, where consensus is expecting headline and core to pick up to 3.3% and 3.6% respectively.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.7129	5.7298	5.7376	5.7589	5.7711

AUD/MYR



AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 0.11% higher at 2.7613 before making a retreat to 2.7555 at the point of writing on MYR strength. Daily outlook is thus, neutral-to-slightly bearish, but losses will likely be capped as AUD trades mixed against regionals this morning and AUD/USD strengthened to 0.6443 at the point of writing.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.7313	2.7448	2.7555	2.7746	2.7906

Source: Bloomberg, HLBB Global Markets Research

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