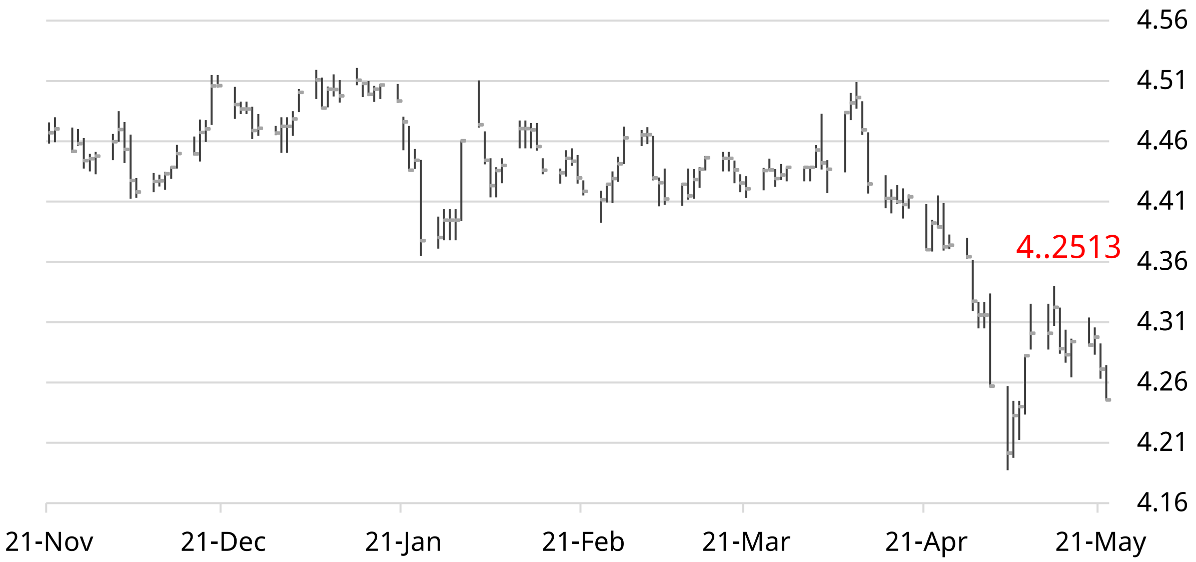
22 May 2025

Global Markets Research

Midday Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Slightly Bearish

USD/MYR opened flat at 4.2710 before trending down to 4.2513 at the point of writing. Daily outlook is slightly bearish on broad USD weakness as concerns over US tax bill will continue to see a sell-off in all US assets. MYR also outperformed all the G10 currencies and Asian peers, as a temporary trade truce spurred sentiment, and with a potential added boost from exporters converting their overseas earnings back to MYR as market perception for the greenback sours. Key risk for this pair today is Malaysia's CPI and on the US front, S&P PMIs are on deck.

1-Month Outlook – USD/MYR Neutral-to-Slightly Bearish

We prefer to stay neutral-to-slightly bearish on USD/MYR as we expect the recent Dollar weakness to have more legs to run, as recent Moody's downgrade and tax cut bill intensify the spotlight on US' debt sustainability and revives a mini "sell-America" sentiment. Lingering concerns over the outcome of the trade negotiations and its repercussions on US growth will also continue to weigh on appetite for the greenback but that said, 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 two policy rates, likely to cap losses for this pair. As it is, US labour market indicators remain decent for now while inflation prints have softened, giving FOMC leeway to stay the course, and potentially pushing back rate cuts to the later part of this year, With this, we are pencilling in 2 quarter point cuts in 2H for the US, but on the domestic front, 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	4.2174	4.2235	4.2513	4.2879	4.3048

USD/SGD

USD/SGD Neutral

USD/SGD opened flat at 1.2889, traded within a narrow range of 1.2882-1.2904 before settling just above its flatline at 1.2890. Daily outlook is thus neutral for this pair today, eyeing trading range between 1.2857-1.2937. On the Singapore front, its 1Q GDP was revised up to 3.9% y/y this morning, but officials flagged risk of a technical recession, and this will likely weigh on SGD today.

	S2	S1	Indicative	R1	R2
USD/SGD	1.2828	1.2857	1.2890	1.2937	1.2986

MYR Crosses

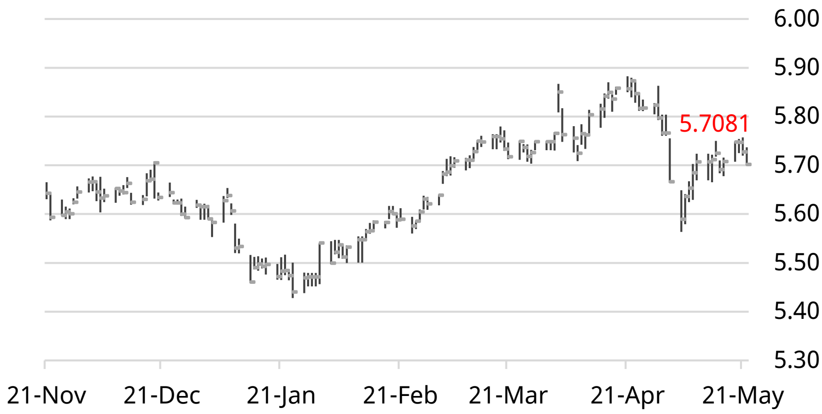
SGD/MYR

SGD/MYR Slightly Bearish

SGD/MYR opened 0.11% higher at 3.3128 before erasing all gains to trade at 3.2978 at the point of writing, off its 3.2926 low this morning. Daily outlook is slightly bearish on MYR strength, but we opine that the pair is unlikely to break below the S1 level at 3.2891 today.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.2711	3.2891	3.2978	3.3180	3.3267

GBP/MYR

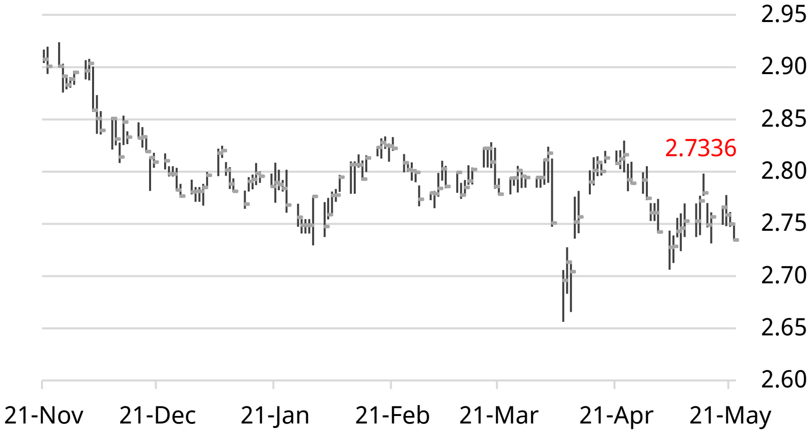


GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.08% higher at 5.7319 but quickly shed these gains to trade at 5.7081 at the point of writing. Daily outlook is neutral-to-slightly bearish as the GBP trades on a weaker note against most G10 and regional currencies, and with key risk being the S&P PMIs later in the afternoon today on the UK front.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6595	5.6971	5.7081	5.7498	5.7723

AUD/MYR



AUD/MYR Slightly Bearish

AUD/MYR opened 0.09% lower at 2.7473 before sliding to 2.7336 at the point of writing. Daily outlook is thus slightly bearish after a slew of softer prints on the Aussie front, the latest being this morning's S&P PMIs, as well as on a dovish tilt to RBA's policy statement.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.6951	2.7241	2.7336	2.7583	2.7670

Source: Bloomberg, HLBB Global Markets Research

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