22 September 2025

Global Markets Research

Midday Currency Outlook

USD/MYR

Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

USD/MYR opened flat at 4.2070 before trending up to 4.2105 at the point of writing. Daily outlook is neutral-to-slightly bullish with more Fed rate cut hopes and a positive Trump-Xi call boosting appetite for US assets like the greenback, the latter seeing the DXY trading in green at 97.75 at the point of writing. That said, gains will likely be limited today after the S&P Global Ratings reaffirmed Malaysia's sovereign credit ratings at 'A-' with a "Stable" outlook is a nod of confidence to Malaysia's macroeconomic prospects and fiscal position. Moreover, there is quite a bit of Fed-speak during the week which may offer further clues on future rate path, not to mention key economic data like the PMI and core PCE price index for the US and CPI for Malaysia.

1-Month Outlook – USD/MYR Neutral

We prefer to stay neutral on USD/MYR as we expect some consolidation in the USD following the recent weakness. Fundamental wise, the recent FOMC statement has flagged the shift in balance of risks, notably increased downside risks to employment, balanced against Fed Chair Jerome Powell continued cautiousness over signs of permanence/transitory impact from the recent tariff hikes and less than aggressive rate cut stance view by the Fed vis-à-vis market. With Powell describing the latest 25bps Fed rate cut as a "risk management cut," amid upgrades in the GDP, core-PCE and labour data (ironically), we thus opine that any policy easing going forward will remain gradual for now. As it is, while consensus and in-house are expecting a 50bps rate cut for the remaining of 2025 and another 50bps in 2026, the Fed dot plot signals a smaller quantum of 25bps by end-2026. On the domestic front, BNM delivered a more neutral tone in its latest policy statement, removing the slight tinge of cautiousness that we saw previously, while highlighting numerous positive development and potential upsides. This should have wiped out expectations for any further easing in the near term, and reaffirmed our view for no further adjustment in the OPR for the rest of the year and probably into 2026.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1896	4.1983	4.2105	4.2146	4.2222

USD/SGD

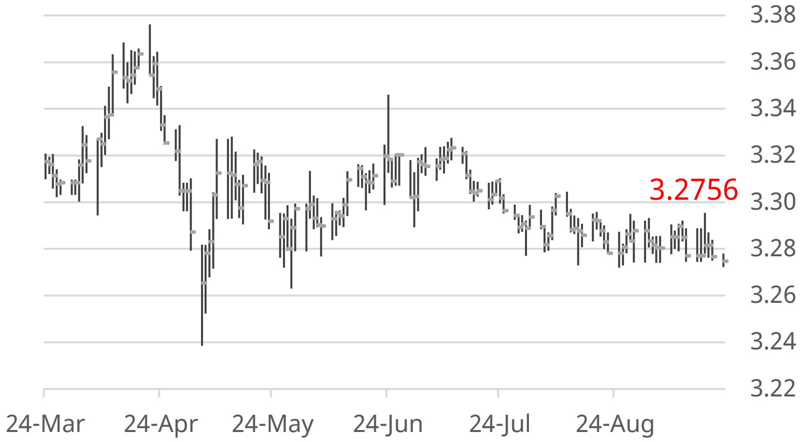
USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.2840 and trended up to 1.2851 at the point of writing. For the same reason above, daily outlook is neutral-to-slightly bullish with the highlight for the week being August's CPI on the Singapore front and core PCE on the UIS front, and the pair unlikely to break above the R1 level of 1.2864 today.

	S2	S1	Indicative	R1	R2
USD/SGD	1.2795	1.2820	1.2851	1.2864	1.2883

MYR Crosses

SGD/MYR



SGD/MYR Neutral

SGD/MYR opened 0.14% lower at 3.2725 before paring its losses to trade at 3.2756 at the point of writing. Daily outlook is neutral, looking at a trading range between 3.2714-3.2826 today. Nothing on the economic deck today but Prime Minister Anwar Ibrahim commented that Malaysia will introduce the targeted petrol subsidy from end-September, with foreigners set to pay RM2.60/litre for RON95 and Malaysians RM1.99/litre.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.2655	3.2714	3.2756	3.2836	3.2899

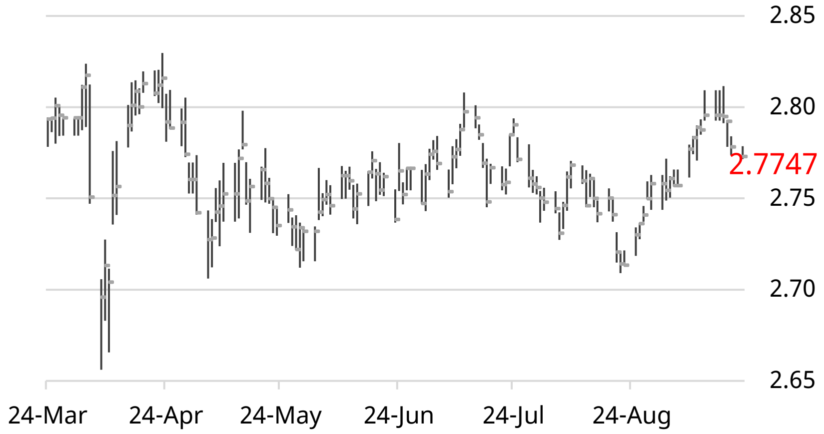
GBP/MYR

GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.31% lower at 5.6636 before paring some of these gains to trade at 5.6691 at the point of writing. Daily outlook is neutral-to-slightly bearish with GBP/USD extending its downward trend to 1.3463 at the point of writing, weighed down by concerns over UK's fiscal position.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6577	5.6696	5.6691	5.6986	5.7149

AUD/MYR



AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 0.23% lower at 2.7718 before erasing some of its gains to trade at 2.7747 at the point of writing. Daily outlook is neutral-to-slightly bearish with AUD/USD trading softer at 0.6589 at the point of writing. A crucial week for Australia, with the PMIs and trimmed mean CPI on deck, not to mention RBA Governor Michele Bullock's semi-annual testimony to the parliament, which may contain more clues as to the path of monetary policy next week and going forward.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.7684	2.7732	2.7747	2.7835	2.7890

Source: Bloomberg, HLBB Global Markets Research

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