

23 May 2025

Global Markets Research

Midday Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Slightly Bearish

USD/MYR opened 0.04% lower at 4.2720 before sliding to 4.2548 at the point of writing. Daily outlook is slightly bearish on broad MYR strength and USD weakness today, the latter in anticipation that the newly passed tax bill will continue to heighten fiscal concerns and spook investors off US assets for now. Economic data overnight on the US front were nonetheless mostly positive, with signs of a still healthy labour market and PMI beat for both manufacturing and services, likely to cap losses for this pair today. With the S&P PMIs out of the way, we don't see significant risk to the pair today with only the new home sales and Kansas Fed regional index up 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. Linger 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	4.2033	4.2341	4.2548	4.2846	4.2957

USD/SGD

USD/SGD Neutral-to-Slightly Bearish

USD/SGD opened 0.01% higher at 1.2927, before losing its lustre to trade at 1.2905 at the point of writing. Daily outlook is neutral-to-slightly bearish given USD weakness today, but losses likely capped at 1.2892 after Singapore flagged risks of technical recession overnight.



	S2	S1	Indicative	R1	R2
USD/SGD	1.2858	1.2892	1.2905	1.2946	1.2966

MYR Crosses

SGD/MYR

SGD/MYR Neutral-to-Slightly Bearish

SGD/MYR opened 0.05% lower at 3.3070 before sliding to 3.2979 at the point of writing. Daily outlook is neutral-to-slightly bearish, with key risk today being Singapore's CPI, where expectations is that it will ease slightly to 0.8% y/y in April from +0.9% y/y previously.



	S2	S1	Indicative	R1	R2
SGD/MYR	3.2824	3.2955	3.2979	3.3138	3.3288

GBP/MYR

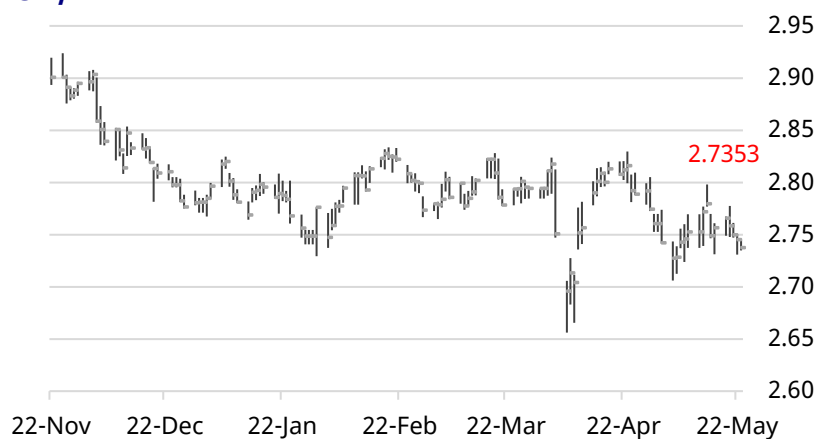
GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.13% higher at 5.7348 before making a turn down to 5.7222 at the point of writing. Daily outlook is neutral-to-slightly bearish, with all eyes on the upcoming UK retail sales print. As it is, expectation is that sales will ease slightly to +0.3% m/m in April from +0.4% m/m previously.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.6845	5.7058	5.7222	5.7428	5.7585

AUD/MYR



AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 0.22% lower at 2.7389 before sliding to 2.7353 at the point of writing. Daily outlook is neutral-to-slightly bearish given MYR strength today but we believe that the pair will unlikely break below the S1 level of 2.7338. It will be an empty economic calendar for Australia today, but all eyes will be on the upcoming CPI print for the month of April due for release next week.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.7225	2.7338	2.7353	2.7534	2.7617

Source: Bloomberg, HLBB Global Markets Research

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