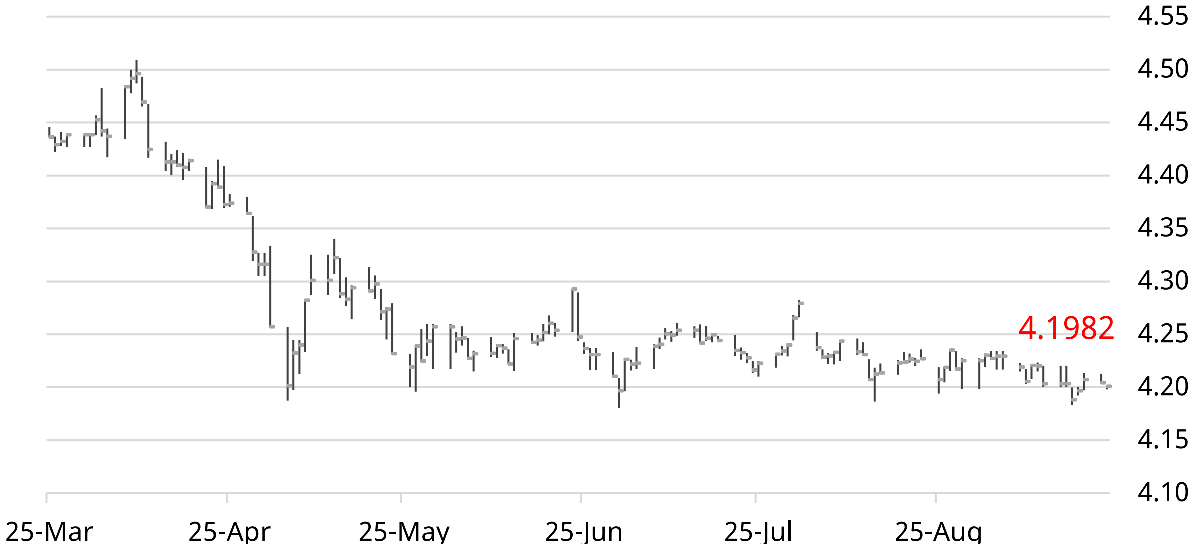
23 September 2025

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% lower at 4.1990 and slid to 4.1982 at the point of writing. Daily outlook is neutral-to-slightly bearish with MYR supported by market confidence following the recent government's RON95 subsidy retargeting announcement, while greenback continued to trade weaker against regional currencies despite the slew of hawkish Fed speaks overnight. That said, losses will likely be capped with sentiments swayed by the upcoming slew of PMIs for the majors including the US, and to a lesser extent, Malaysia's CPI at noon.

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	4.1713	4.1883	4.1982	4.2100	4.2159

USD/SGD

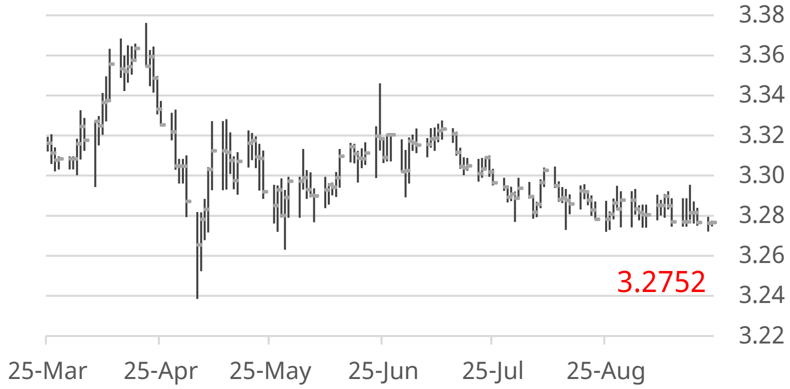
USD/SGD Neutral

USD/SGD opened flat at 1.2821 before retreating to 1.2817 at the point of writing. Given that the pair is narrowly traded within 1.2814-1.2826 ahead of key data like the US PMI and Singapore's inflation print, daily outlook is thus neutral today, eyeing trading range between 1.2805-1.2849.

	S2	S1	Indicative	R1	R2
USD/SGD	1.2789	1.2805	1.2817	1.2849	1.2877

MYR Crosses

SGD/MYR

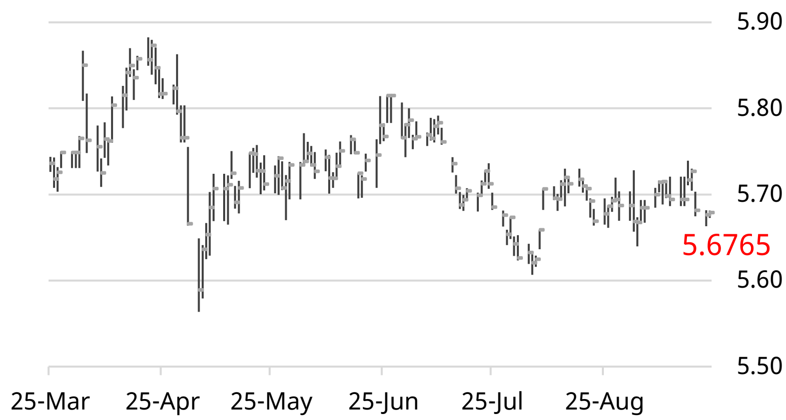


SGD/MYR Neutral

SGD/MYR opened 0.10% higher at 3.2758 before easing slightly to 3.2752 at the point of writing. We prefer to stay neutral for this pair today pair ahead of the upcoming release of CPI prints for both sides of the border, with Malaysia's inflation expected to accelerate slightly to 1.3% y/y in August, while Singapore's hold steady at 0.6% y/y.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.2659	3.2692	3.2752	3.2837	3.2926

GBP/MYR

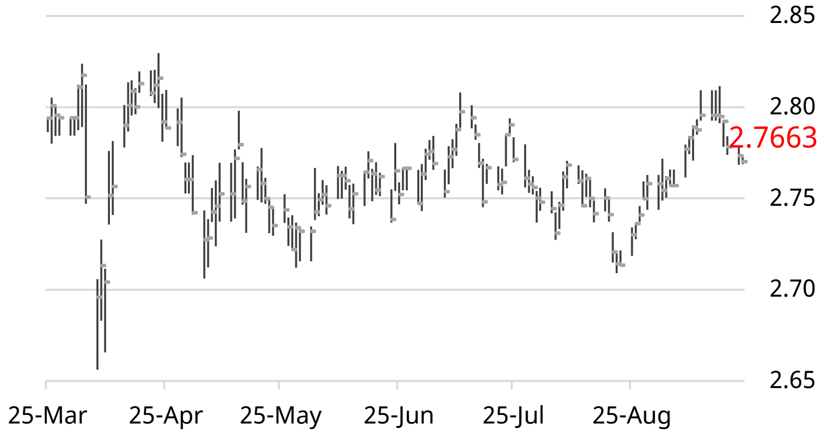


GBP/MYR Neutral

GBP/MYR opened 0.05% lower at 5.6734 but quickly pared its losses and more to trade 5.6765 at the point of writing. Despite the uptick, we prefer to stay neutral for this pair given the UK PMI due for release and amid lingering cautiousness over its fiscal deficit. As it is, consensus is expecting the composite PMI to ease slightly to 53.0 in September.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6549	5.6655	5.6765	5.6843	5.6925

AUD/MYR



AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 0.06% lower at 2.7713 and retreated further to 2.7663 at the point of writing. Daily outlook is neutral-to-slightly bearish on broad AUD weakness this morning following the weaker PMIs released for both the manufacturing and services sectors. At the point of writing, AUD/USD slid to 0.6589 after both the indices weakened to 51.6 and 52.0 for September.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.7528	2.7631	2.7663	2.7784	2.7837

Source: Bloomberg, HLBB Global Markets Research

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