26 February 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 4.4190 before trending down again to 4.4155 at the point. Daily outlook is neutral-to-slightly bearish given broad MYR strength today, while the Dollar tumbled as the weak consumer confidence prints fuelled concerns over the outlook of the US economy and spurred rate but bets. Risk appetite remains mixed today, and cautiousness ahead of the 4Q GDP and core-PCE prices in the US will likely cap losses for this pair today.

1-Month Outlook – USD/MYR Neutral

The one-month outlook for USD/MYR is neutral in our view, largely reflecting some consolidation after the recent rally in greenback, amid some push-backs in tariff US hikes and on some weakness in recent economic indicators, which saw traders pencilling more than 2 quarter point cuts by the Fed in 2025 and the DXY retreating from its 109-handle levels. That said, inflation risks persist, inflation expectations have ticked up and thus, the Fed would have to balance this against a still restrictive monetary policy, keeping any further weakening in the US Dollar, likely in check. On the domestic front, BNM maintained the OPR at 3.00% as well as neutral policy stance in its latest monetary policy meeting. With no material changes in the policy statement, other than the mention of uncertainties and risks stemming from “more trade and investment restrictions,” this supports our view for an extended pause in the OPR in 2025, and in tandem with this, supportive of the MYR as well.

	S2	S1	Indicative	R1	R2
USD/MYR	4.3889	4.4041	4.4155	4.4294	4.4345

USD/SGD

USD/SGD Neutral

USD/SGD opened flat at 1.3363, traded within a 1.3351-1.3375 narrow range before settling at 1.3368 at the point of writing. With this and cautiousness ahead of Singapore's IPI print, we have a neutral outlook for this pair today, eyeing trading range between 1.3325-1.3396.

	S2	S1	Indicative	R1	R2
USD/SGD	1.3273	1.3325	1.3372	1.3396	1.3429

MYR Crosses

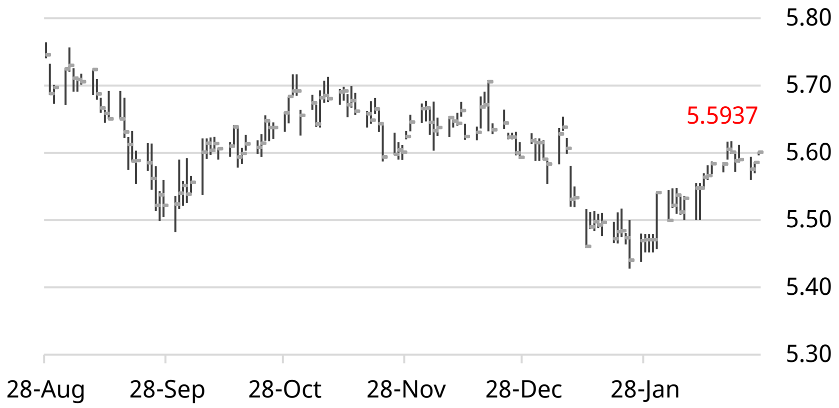
SGD/MYR

SGD/MYR Neutral

SGD/MYR opened 0.28% higher at 3.3116 before making a sharp retreat to 3.3031 at the point of writing. Daily outlook is neutral pending the release of Singapore's IPI data, where the reading for January will likely worsen to -3.5% m/m in Jan from -0.7% m/m previously, potentially weighing on SGD.

	S2	S1	Indicative	R1	R2
SGD/MYR	3.2867	3.2945	3.3031	3.3123	3.3251

GBP/MYR



GBP/MYR Neutral-to-Slightly Bullish

GBP/MYR opened 0.25% higher at 5.5995 before losing some of its lustre to trade at 5.5937 at the point of writing. Daily outlook is neutral-to-slightly bullish, with gains from the higher opening likely to narrow given MYR strength today, facing R1 and R2 at 5.6138 and 5.6408 respectively.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5637	5.5746	5.5937	5.6138	5.6408

AUD/MYR

AUD/MYR Neutral-to-Slightly Bearish

AUD/MYR opened 0.18% higher at 2.8067 but quickly shed its gains to trade at 2.7983 at the point of writing. Daily outlook is neutral-to-slightly bearish, as the AUD/USD make a sharp drop to 0.6336 at the point of writing after Australia's underlying inflation print remains within the target band, reaffirming further rate cut bets.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.7732	2.7864	2.7983	2.8118	2.8203

Source: Bloomberg, HLBB Global Markets Research

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