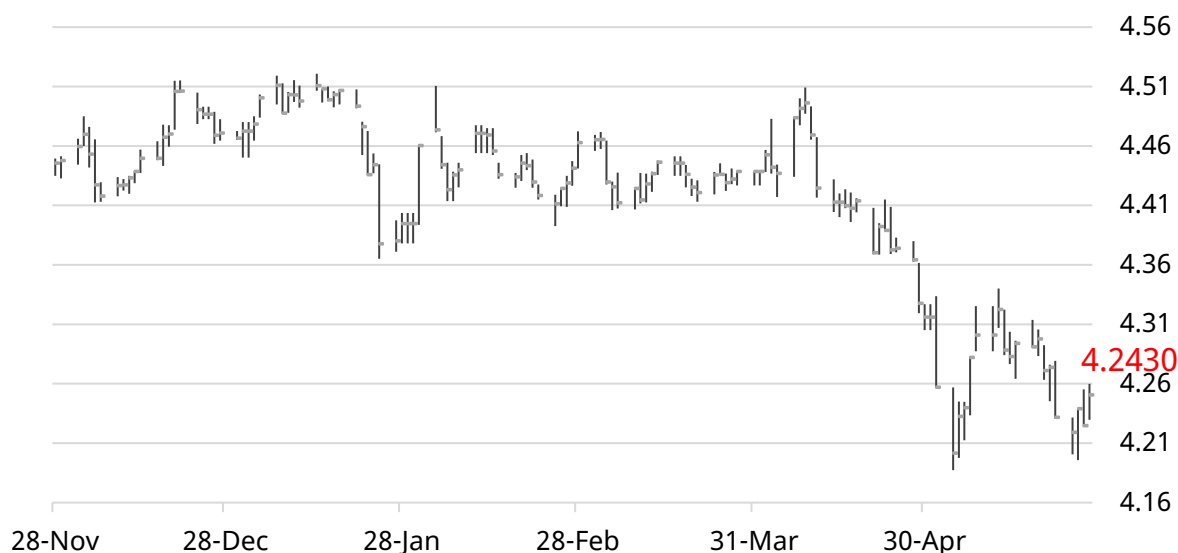


29 May 2025

Global Markets Research

Midday Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

USD/MYR opened 0.14% higher at 4.2305 before trending up to 4.2430 at the point of writing. Daily outlook is neutral-to-slightly bullish given broad USD strength this morning, with the DXY trading above the 100-handle at the point of writing. Largely supporting the Dollar was the latest FOMC minutes reiterating its wait-and-see stance while flagging risks that tariffs can send inflation spiralling upwards markedly this year. Data wise, key risk today is the second reading for US 1Q GDP, and any surprises on this front could potentially sway the market. We will also be monitoring the development on the tariff front, after President Trump's tariffs were deemed illegal and blocked by a US trade court.

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	4.2031	4.2138	4.2430	4.2659	4.2973

USD/SGD

USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.2894 before trending up to 1.2942 at the point of writing. Daily outlook is neutral-to-slightly bullish on USD strength with the pair likely to break the R1 level at 1.2957 but any further gains will be capped at 1.3063 (R2).



	S2	S1	Indicative	R1	R2
USD/SGD	1.2858	1.2876	1.2942	1.2957	1.3063

MYR Crosses

SGD/MYR

SGD/MYR Neutral

SGD/MYR opened 0.48% lower at 3.2644 before making a sharp U-turn to just above its flatline at 3.2803. We have a neutral outlook for this pair today, with a bullish bias amid MYR weakness, eyeing trading range between 3.2733-3.2928. It will be an empty economic calendar for the rest of the week for both sides of the border.

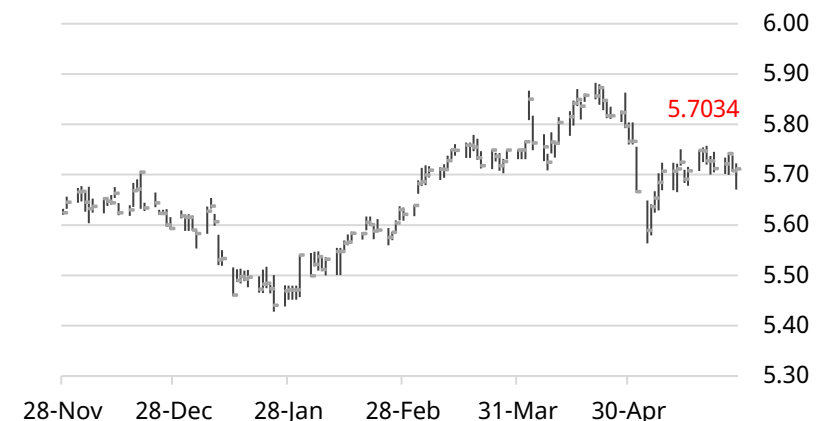


	S2	S1	Indicative	R1	R2
SGD/MYR	3.2665	3.2733	3.2803	3.2928	3.3055

GBP/MYR

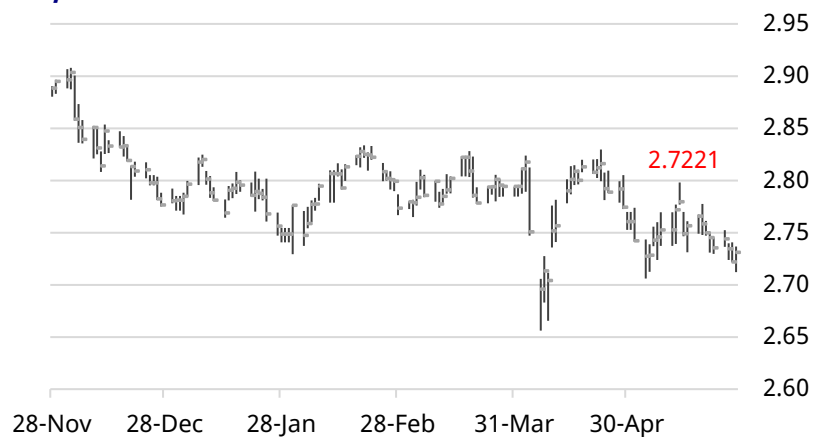
GBP/MYR Neutral-to-Slightly Bearish

GBP/MYR opened 0.60% lower at 5.6729 before shedding most of these losses to trade at 5.7034 at the point of writing. Daily outlook is neutral as the GBP continues to trail behind its G10 peers, trading lower at 1.3434 against USD at the point of writing. This pair will be USD driven today in absence of economic drivers on the UK front.



	S2	S1	Indicative	R1	R2
GBP/MYR	5.6836	5.6954	5.7034	5.7289	5.7506

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.31% lower at 2.7133 before erasing all its losses to trade at 2.7221 at the point of writing. Daily outlook is neutral, with a bearish bias as AUD/USD weakened further to 0.6412 at the point of writing, while an unexpected 0.1% downtick in 1Q capex spending also does not bode well for AUD.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.7090	2.7154	2.7221	2.7345	2.7472

Source: Bloomberg, HLBB Global Markets Research

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