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## GOLD PRICE SURGED TO RECORD HIGH AS TRUMP'S TARIFFS HEAD TO THE SUPREME COURT

**Bad news for Trump's reciprocal tariffs.** The U.S. Court of Appeals for the Federal Circuit last Friday upheld a ruling made in May, maintaining that Trump's Liberation Day tariffs are beyond his authority as the President under the emergency act. These tariffs, ranging from as low as 10% to an astounding 50% based on the 2<sup>nd</sup> April announcement, were imposed by Trump under the 1977 International Emergency Economic Powers Act (IEEPA) following his declaration of national emergency in his Reciprocal Tariff Order, thus invoking the National Emergency Act (NEA). Trump cited unfair trade practices against the U.S. which contributed to the large U.S. trade deficits, justifying the slew of reciprocal tariffs against trade partners. However, the U.S. Court of International Trade ruled that the Trump administration had misapplied the use of the IEEPA, which would result in the government rescinding tariffs enacted under the law. Following this decision earlier in May, they had brought the decision to the Federal Circuit Appeals Court, only to be struck down again. However, the federal appeals court allowed for the tariffs to remain in place while the Trump administration brings the fight to the Supreme Court. Should the court vote against Trump's trade interests, he would have to suspend the reciprocal tariffs which would sharply reduce the projected tariff revenue. Thus far, revenue from tariff collection is almost doubled the amount recorded in the same period last year, standing at USD159 billion as of July according to the Department of Treasury. Looking ahead, this will be a battle that is highly scrutinised given the broad implications of the decision towards, not only the U.S. economy and fiscal standing, but towards the global landscape at large.

On a separate note, the People's Bank of China (PBOC) has recently shown a clear appreciation bias, nudging the yuan gradually higher and fueling speculation of a subtle shift in policy strategy. By setting the daily reference rate, around which the currency is allowed to trade within a 2% band, authorities have provided a signal that they are not only comfortable with a stronger yuan but may also be engineering a controlled appreciation. This approach contrasts with earlier episodes. During the height of U.S.–China trade tensions in 2018, the PBOC deliberately guided the yuan lower through its daily fixings, allowing a managed depreciation to cushion the economy from Trump's tariffs. From 2020 to 2022, the reference rate largely tracked market expectations as the yuan remained under pressure from weak growth prospects under the Zero-Covid policy, underscoring the central bank's priority of preserving growth over currency strength.

More recently, following Trump's 2024 U.S. presidential victory and the escalation of tariff tensions, the PBOC kept the reference rate steady within the 7.15–7.25 range. However, since the U.S.–China trade truce, the stance has shifted. With trade risks easing and China's growth proving more resilient than expected, putting the economy back on track toward its ~5% target, the central bank has gained more flexibility. Since June, it has gradually guided the fixing stronger, with the yuan reaching 7.1030 last Friday, its firm test level since November. Importantly, the fixings have been consistently below market forecasts, a clear

signal of policymakers' intent to allow a measured appreciation. This recalibration comes at an opportune moment as the USD faces pressure from renewed market volatility and Trump's unpredictable policy moves, which have driven investors away from USD assets. By guiding the yuan higher in a controlled manner, the PBOC is not only aligning with improving domestic fundamentals but also mitigating the risk of sharp currency shocks while reinforcing confidence in China's policy direction.

#### Upcoming Events: Key Economic Data Release

Monday	Euro Area Unemployment Rate (July), S&P Manufacturing PMI (August)
Tuesday	Euro Area Preliminary Inflation Rates (August)
Wednesday	Australia GDP Figures (2Q2025), Euro Area Producer Prices (July)
Thursday	U.S. JOLTS Job Openings, Bank Negara Malaysia (BNM) Policy Decision, Euro Area Retail Sales (July), Australia Trade (July)
Friday	U.S. Nonfarm Payrolls (August), UK Retail Sales (July), Japan Household Spending (July)

Table 1: Selected Currencies Overview

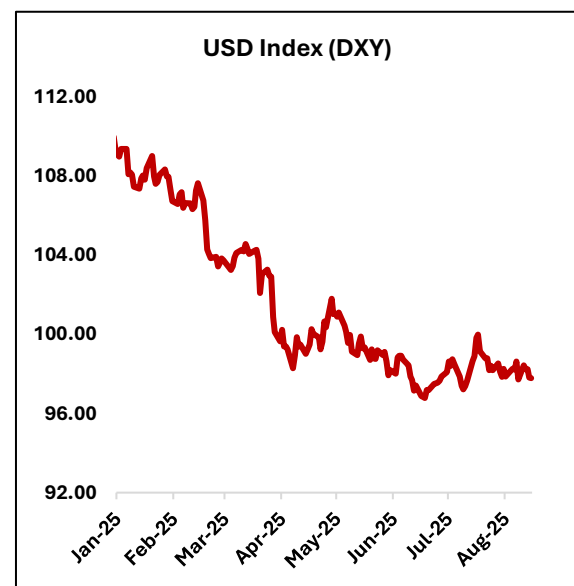
	15-Aug	22-Aug	29-Aug	WoW	YTD
DXY Index	97.85	97.72	97.77	0.1%	-9.9%
USDMYR	4.21	4.23	4.22	0.0%	5.9%
XAUUSD	3,336.19	3,371.86	3,447.95	2.3%	31.4%
EURUSD	1.17	1.17	1.17	-0.3%	12.9%
GBPUSD	1.36	1.35	1.35	-0.2%	7.9%
AUDUSD	0.65	0.65	0.65	0.8%	5.7%
USDSGD	1.28	1.28	1.28	-0.2%	6.4%
USDJPY	147.19	146.94	147.05	-0.1%	6.9%
USDCNY	7.18	7.17	7.13	0.5%	2.4%

Sources: Bloomberg, Bank Islam

#### Commentaries

##### DXY: USD edged up amid stronger than expected 2Q2025 economic growth

The USD index ticked up slightly by 0.1% w-o-w for the week ending August 22 when the 2Q2025 growth figure was upgraded to 3.3% y-o-y compared to the first estimate of 3.0% y-o-y. The upward revision was driven by stronger-than-expected gains in investment (2nd est.: 5.7% y-o-y vs. 1st est.: 1.9%) and consumer spending (2nd est.: 1.6% y-o-y vs. 1st est.: 1.4%). This resilience underscored the U.S. economy's ability to withstand a volatile global trade environment, reinforcing expectations that a soft landing remains achievable in 2025. The data lifted investor confidence, supporting the USD's appreciation, while optimism was further buoyed by growing bets on a Fed rate cut in September. Softer labor market data and easing financial conditions strengthened the view that policy easing could provide a timely boost to domestic demand. While real consumer spending is anticipated to remain solid as it grew at a faster pace than expected by 1.6% y-o-y (Est: 1.4% y-o-y) from 0.5% in 1Q2025, a slew of wide-ranging country-specific tariffs was only implemented in August. As such, possibilities of domestic demand losing steam amid rising prices remain a downside risk to growth, further increasing bets of a rate cut. On the inflation front, gradual increases in consumer prices supported this view, giving the central bank some flexibility to ease its monetary policy. The core Personal Consumption Expenditure (PCE) price index – the Fed's preferred gauge of inflation – rose by 0.3% m-o-m in July (June: 0.2% m-o-m), in line with market expectations. On an annual basis, it expanded to a five-month high of 2.9% (June:



Source: Bloomberg

2.8%). However, the USD gains were limited following Trump's loss in the federal appeals court.

**Short-term outlook:** Looking ahead, markets are on high alert for the JOLTS job openings and nonfarm payrolls data, slated to be released on Thursday and Friday respectively. During the Jackson Hole Symposium, Fed Chair Powell remarked that the "shifting balance of risks may warrant adjusting our policy stance", referencing the surprise softer nonfarm figures, while several other policymakers also alluded to a more dovish tone. Given that the cooler than anticipated job market had been the beacon drawing markets to flock behind bets of a policy reduction in September, these releases will be crucial in shedding more light on the central bank's policy path. We remain bearish on the USD and expect it to trade between the range 96.75 and 98.79.

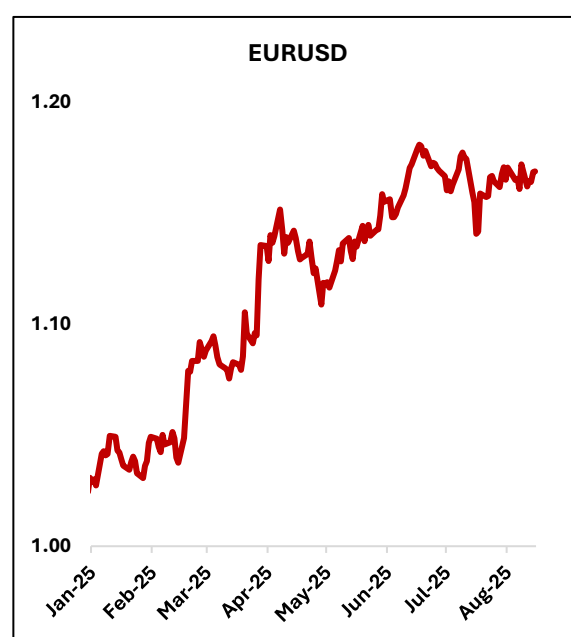
#### EURUSD: Euro slipped as France's political woes dominated sentiments

The Euro depreciated by 0.3% w-o-w amid intensifying political turmoil in France with the fate of the current government hanging in a fragile balance. On Monday, Prime Minister François Bayrou announced that he will seek a confidence vote in the National Assembly on 8<sup>th</sup> September following dissensions from political oppositions on his 2026 budget proposal. The proposed plan includes EUR43.8 billion in savings in 2026, underlining several channels to cut spending such as trimming public sector hiring, freezing pension and tax bracket indexation as well as scrapping two public holidays. These measures aim to improve France's fiscal position as its budget deficit had widened to 5.8% in 2024, almost double of the official European Union (EU) limit of 3%. Under this budget, the fiscal deficit is estimated to ease to 4.6% in 2026 from a forecast of 5.4% in 2025 and reach 2.8% by 2029. While it appeared to address national concern, the budget was met with opposition from other parties who cited its social impact and lack of political consensus. This had resulted in a stagnation over the budget discussions as well as a movement for a "total blockade" starting 10<sup>th</sup> September, leading to Bayrou announcing that he will deliver a new policy statement on 8<sup>th</sup> September before seeking the vote of confidence. Nevertheless, markets are expecting him to lose the vote given that his centrist coalition holds the minority seats (210 out of 577 seats) in the Assembly whilst the other parties making up the majority had all but voted against him. Simply put, losing the vote would mean a collapse of his government. Should this scenario come to fruition, President Macron would have to appoint a new Prime Minister or call for fresh elections, of which both outcomes will lead to prolonged political uncertainty. Furthermore, it would complicate the process of completing the 2026 budget and cloud over the country's fiscal outlook. As such, investor confidence had taken a hit, causing French bond yields to surge while the EUR retreated.

**Short-term Outlook:** Looking ahead, we expect cautious sentiments to persist ahead of the 8<sup>th</sup> September confidence vote. As the likelihood for Bayrou to lose the majority vote remains elevated, investors will persist in shedding off French government bonds, widening the yield spread and exerting pressure on the EUR. As such, we hold a slightly bearish outlook on the EURUSD and foresee a possible trading range of 1.1505 and 1.1703.

#### XAUUSD: Gold price marked record high as the Trump administration battled tariffs in courts

Gold prices soared by 2.3% w-o-w for the period ending August 22, marking a fresh high of USD3,447.95 on Friday following the ruling by the U.S. Court of Appeals that Trump's Liberation Day tariffs as well as separate levies on China, Canada and Mexico exceeded his authority as the President under the emergency act. Should this ruling be upheld, the government defended that it might have to refund some of the import duties collected under the tariff structure. Reportedly, revenue from tariff collection as of July had reached up to USD159 billion, which would detrimentally impact the U.S.' financials. Furthermore, the



Source: Bloomberg

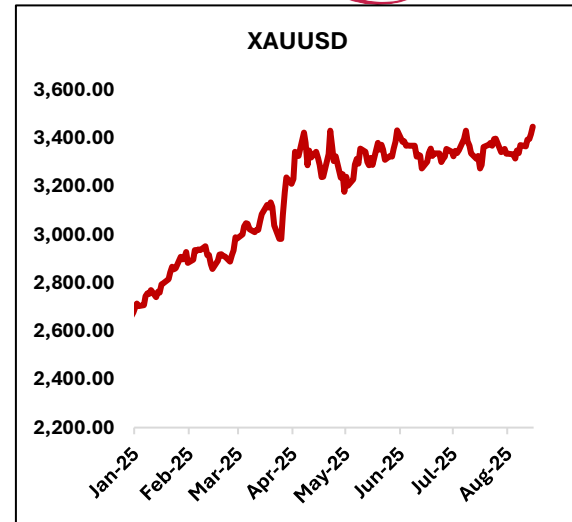
Justice Department had cautioned in a legal filing that revoking the tariffs would potentially lead to “financial ruin” for the country. As such, investors had fled to safe-haven assets following this development, leading to the XAU’s surge. On top of this, the federal appeals court decision had tossed out a crucial part of the earlier May ruling, allowing these duties to remain in place until 14<sup>th</sup> October as the Trump administration brings the fight to the Supreme Court. On another note, Trump doubled the tariffs on most Indian imports to 50%, citing India’s purchases of Russian oil. This signalled that his tariff war is far from over and Trump could, at any minute, flip the script on U.S. trade partners.

**Short-term Outlook:** The Trump administration will be defending his tariffs against the Supreme Court next, and markets watched on cautiously. This adds another layer to the conundrum as the conservative-majority Supreme Court could likely vote in Trump’s favour, allowing the tariffs to stay. If the decision is upheld, Trump could face difficulties in imposing duties of such nature moving forward in addition to potentially refunding taxes collected under these policies thus far. However, if the decision is rescinded, it would embolden Trump to proceed with his trade agenda, leaving the door open for higher rates and prolonged volatility. As such, we maintain a slightly bullish outlook on XAUUSD. Support is at \$3,450 and resistance is seen around \$3,513.

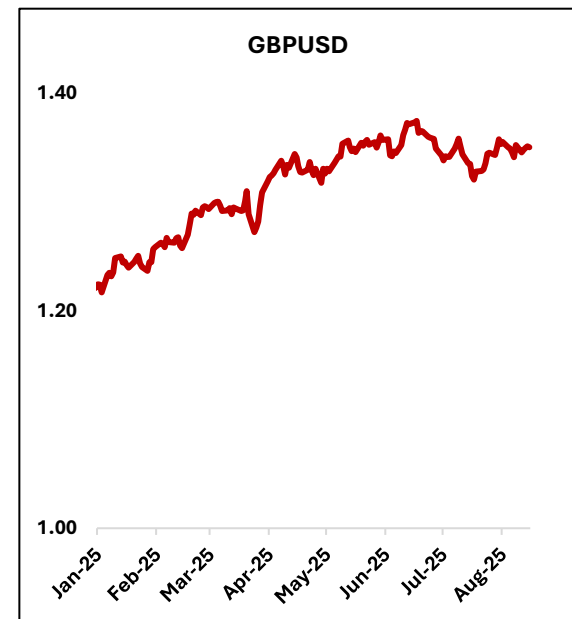
#### **GBPUSD: British Pound dipped following think-tank’s tax recommendation**

The British pound (GBP) weakened by 0.2% w-o-w amid a relatively quiet calendar week on the data front, leaving it vulnerable to the strength of the USD. Furthermore, the Institute for Public Policy Research (IPPR) recommended the government to tax banks on the interest they receive from the Bank of England on reserves held at the central bank, citing that the tax structure would free up more room for the government to meet its fiscal targets. In the 2026 Budget, Finance Minister Rachel Reeves is anticipated to increase taxes amid the strain on the British public finances. As such, the recommendation weighed on investors who are seeking guidance ahead of the budget and injected fresh worries into markets, causing bank shares to fall on Friday. Additionally, expectations of tighter financial conditions had counterintuitively dragged the GBP as it further supported this view. Of note, both headline and core inflation surpassed estimates to increase by 3.8% y-o-y in July (Est: 3.7% y-o-y) from 3.6% and 3.7%, respectively, in June. On the producer’s front, inflation accelerated to a two-year high of 1.9% y-o-y in June (May: 1.3%), suggesting rising underlying price pressures. Furthermore, Bank of England (BOE) policymaker Catherine Mann remarked that “a more persistent hold on Bank Rate is appropriate right now”, citing the need to address the sticky elevated price pressures. Thus, with inflation heating up on one end of the scale, the central bank is expected to maintain its interest rate which will prolong the environment on tight financial conditions, reinforcing the proposal by the IPPR.

**Short-term Outlook:** Looking ahead, markets are awaiting UK retail sales data for clues on the Bank of England’s policy direction. While persistent inflation argues for keeping rates sufficiently restrictive, a softening labour market adds complexity to the debate. This tension was highlighted in the August meeting, where a historic two-round vote ended with a narrow 5–4 decision in favour of a rate cut. The upcoming data will therefore be closely watched for signals on the domestic backdrop and its implications for policy expectations. We remain neutral to slightly bullish on GBPUSD and expect the pair to trade within a 1.3386–1.3636 range.



Source: Bloomberg

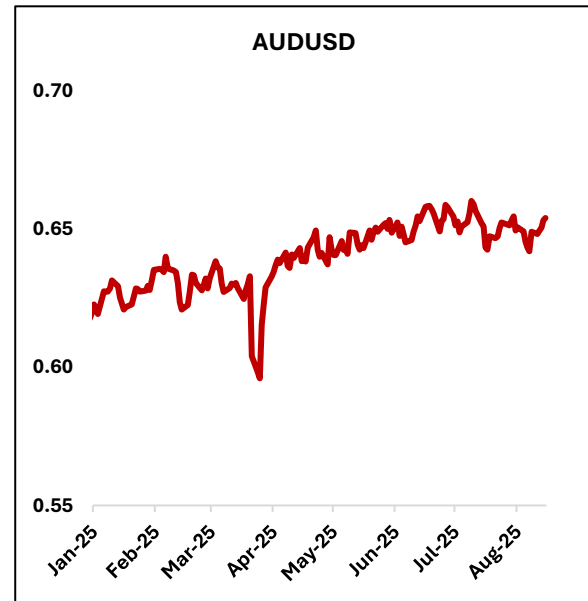


Source: Bloomberg

**AUDUSD: Australian Dollar strengthened amid surprise inflation rise**

The Australian dollar appreciated by 0.8% w-o-w as consumer prices in Australia unexpectedly surged in July. Latest figures showed that headline inflation jumped significantly by 2.8% y-o-y from 1.9% y-o-y, surpassing expectations of a 2.3% rise to mark the highest level in a year. Such performance is attributed to a surge of 13.1% in electricity prices compared (June: -6.3%) amid annual electricity price reviews and the end of federal government electricity rebates in some capital cities. Meanwhile, the trimmed mean inflation rose by 2.7% y-o-y in July from 2.1% while core inflation excluding volatile items and travel increased by 3.2% y-o-y from 2.5%. The acceleration in prices cast a hawkish tone over the Reserve Bank of Australia's (RBA) August meeting minutes, where policymakers debated the appropriate pace of monetary easing. While the broader trajectory of the cash rate appears clear, the central bank continues to balance hotter inflation against a cooling labour market, reinforcing its data-dependent stance. The latest upside surprise in inflation has since strengthened market expectations that the RBA will hold rates steady in September, lending support to the AUD.

**Short-term Outlook:** Looking ahead, Australia's 2Q2025 growth figures are scheduled to be released on Wednesday, putting the current economic landscape and the impact of Trump's tariffs into perspective to provide markets more clarity on the monetary policy outlook. Given that the markets widely believed the RBA had previously reacted too late to the labour market easing, the central bank is under high scrutiny this time around. Should domestic growth develop favourably in the second quarter, it would be highly likely for the RBA to place more emphasis on taming the heightened underlying price pressures and maintain its cash rate. As such, we remain bullish on the AUDUSD and expect the pair to trade at a range of 0.6527 – 0.6590.

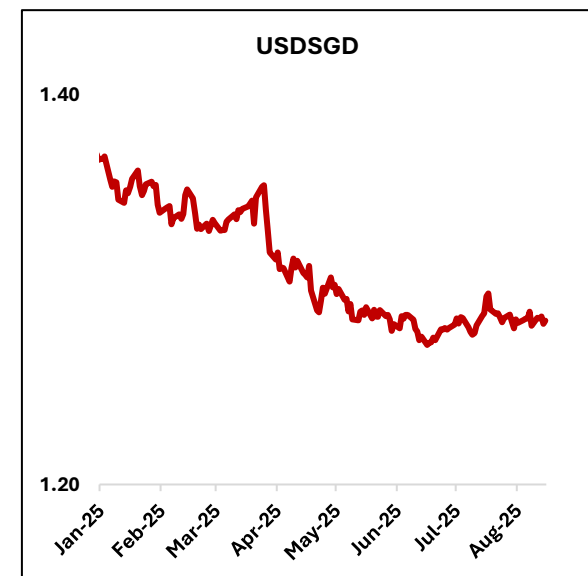


Source: Bloomberg

**USDSGD: Singaporean Dollar depreciated amid softer inflation figures**

The Singaporean dollar slipped by 0.2% w-o-w amid cooler than expected price pressures as headline inflation eased to 0.6% y-o-y in July (June: 0.8% y-o-y) against forecasts of 0.7%, marking the lowest level since January 2021. Such performance is due to slower increases in housing and utilities (July: 0.3% vs June: 0.9%) and health (July: 2.4% vs June: 2.8%) while clothing and footwear (July: -2.3% vs June: -2.2%), information and communications (July: -2.6% vs June: -2.4%), and miscellaneous goods and services (July: -0.4% vs June: 0%) subsectors recorded steeper declines. On a monthly basis, headline inflation fell further by 0.4% (June: -0.1%). Meanwhile, core inflation also missed estimates when it rose by 0.5% y-o-y in July, moderating from 0.6% in the previous month. Such figures suggest that consumer spending in Singapore remains persistently sluggish as core price pressures trended below 1.0% for seven straight months, exerting pressure on the SGD.

**Short-term Outlook:** As such, markets will keep a close watch for Singapore's retail sales data release on Friday for further insights into consumer spending patterns as they forge their growth expectations for the economy. So far, the economy has weathered Trump's tariffs relatively well, keeping its outlook steady up to the final rate announcements in early August. With Trump now tied up in U.S. court battles to defend the measures, plans for additional levies, such as those targeting semiconductors, may be delayed, offering some relief to Singapore's export-oriented sectors. Looking ahead, we remain neutral to slightly bullish on USDSGD, with the pair likely to trade within a 1.2797–1.2906 range.



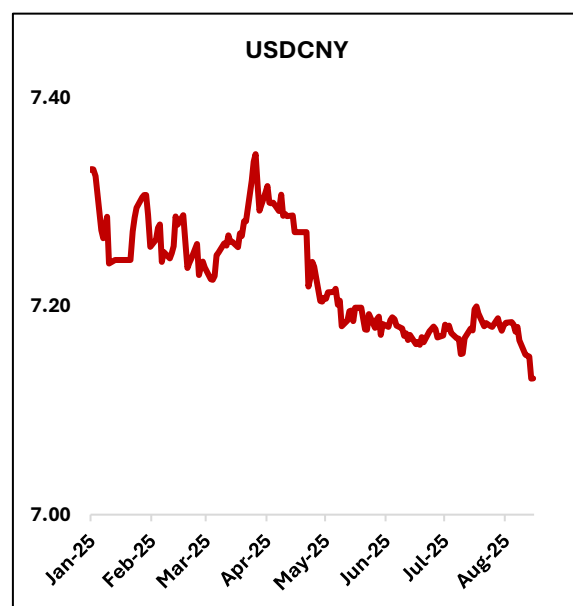
Source: Bloomberg



**USDCNY: Chinese Yuan rose as the PBOC pushes for a firmer CNY**

The Chinese yuan increased by 0.5% w-o-w following the PBOC fixing its onshore yuan daily reference rate at 7.1030, the strongest level for the year thus far. This signals the central bank's bias for a stronger yuan, supporting its appreciation. Historically, the yield differentials between the CNY and USD favours the latter with the CNY maintaining a negative carry. Nevertheless, amid heightened bets of a September Fed cut and dovish hints by Fed policymakers, the offshore yuan had appreciated and the carry between USD-CNY is narrowing. As such, the move by the PBOC would guide the onshore yuan to gradually appreciate as opposed to a surprise swing. On a different note, the resilience of the Chinese economy bolsters a rosier than expected outlook following the turbulent trade developments, lifting investor confidence and interest in yuan assets. Moreover, the legal battle over Trump's reciprocal tariffs also lent some support as the slim potential of the court ruling being upheld would benefit China. Given Trump's heavy tariffs against the economic giant, the decision would conclusively end the uncertainties surrounding the trade truce between the two countries. While Trump could still impose import taxes on China, his hand will be bound by other laws that limit the rates and range of tariffs under his authority. Nevertheless, this ruling only applies to his reciprocal country-specific tariffs while duties on targeted goods such as metals and autos remain uncontested.

**Short-term Outlook:** Moving forward, we expect the central bank to continue its policy push to gradually strengthen the CNY amid the weakness displayed by the USD. As such, we remain slightly bearish on USDCNY in the near term and foresee a possible trading range of 7.145 – 7.180 for the currency pair.

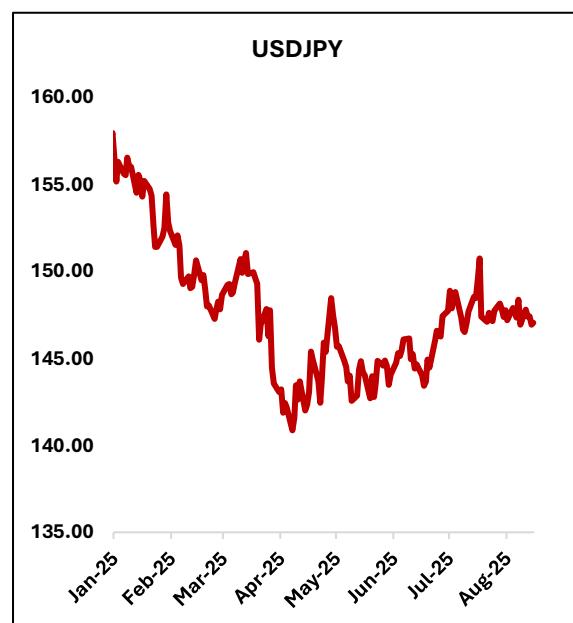


Source: Bloomberg

**USDJPY: Japanese Yen weakened amid dimmer BOJ rate hike hopes**

The Japanese Yen dipped by 0.1% w-o-w following a slew of softer economic data, slashing market expectations that the Bank of Japan (BOJ) is ready to resume its policy normalization efforts. Latest figures showed that Japan's industrial production recorded the deepest fall since November last year as it plunged by 1.6% m-o-m in July (June: 2.1% m-o-m), well below expectations of a 1.0% decline. On an annual basis, it fell significantly by 0.9% compared to a 4.4% gain in June. The downturn in factory activities suggests that the impact of global policy shifts may be more pronounced than anticipated, weighing on previously optimistic sentiments following the bilateral trade deal with the U.S. On the labour market front, the unemployment rate ticked down to 2.3% in July from 2.5% in June, alluding to improving labour market conditions. Be that as it may, household consumption struggled to pick up momentum as retail sales rose by a marginal 0.3% y-o-y in July (June: 1.9% y-o-y, Est: 1.8% y-o-y), marking the slowest pace more than three years. Beyond these range of cooler economic figures, moderating price pressures also led markets to reprice their monetary policy expectations and exerting pressure on the JPY. Tokyo's headline inflation eased to a nine-month low of 2.6% in August from 2.9% in July while core inflation moderated to 2.5% in the same month (July: 2.9%), in line with market forecasts. Meanwhile, core core inflation, stripping away food and energy prices, ticked down to 3.0% in August (July: 3.1%), albeit still trending above 3.0% following its surge in May (3.3% vs. April: 2.2%).

**Short-term Outlook:** Moving forward, Japan's household spending data will be closely watched for further clues surrounding the economic outlook. Earlier in the year, record high pay revisions were largely expected to boost domestic demand but the effects of them have failed to materialize strongly. Thus far, labour market resilience has also failed to meaningfully lift retail sales, alluding to a conundrum of sluggish demand. Given that factory activities still feel the brunt of Trump's trade policies, the release will be pivotal in shaping the central bank's policy path. As such, we are slightly bullish on USDJPY and foresee the currency pair to trade within a range of 146.50 – 148.80.

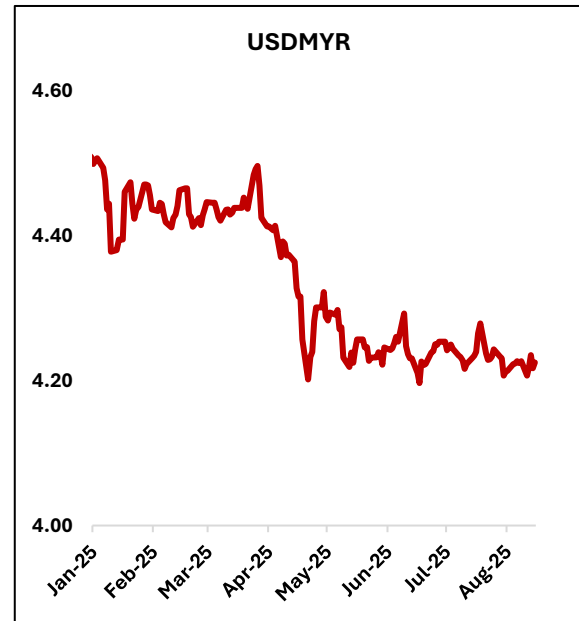


Source: Bloomberg

### USDMYR: The Ringgit ended mostly flat amid persistent weakness in producer prices

The ringgit posted a marginal 0.05% w-o-w gain ahead of a shorter trading week in conjunction with Malaysia's National Day. On the data front, producer prices remained subdued, with the Producer Price Index (PPI) contracting by 3.8% y-o-y in July, easing from a 4.2% decline in June. The softer fall was supported by rebounds in Agriculture, Forestry & Fishing (July: +1.1% vs. June: -0.3%) and Electricity & Gas Supply (July: +4.0% vs. June: -0.2%), alongside a milder contraction in Manufacturing (July: -4.0% vs. June: -4.3%). In contrast, the Mining sector continued to weigh on overall prices, with its PPI plunging 8.7% y-o-y (June: -8.0%). Persistently weak producer prices should ease cost pressures on consumers, reinforcing expectations that Bank Negara Malaysia (BNM) will maintain its Overnight Policy Rate (OPR) at 2.75% in September. This view is further supported by muted consumer inflation, which has remained below 2.0% for 12 consecutive months, inching up only slightly to 1.2% in July from 1.1% in June.

**Short-term Outlook:** Easing global trade tensions have put Malaysia back on track to achieve its official 2025 growth target of 4.0–4.8%, reinforcing expectations that Bank Negara Malaysia will keep monetary settings accommodative. Even so, caution is warranted amid Trump's unpredictability and the lingering risk of semiconductor tariffs. Looking ahead, the growing likelihood of Fed rate cuts should narrow interest rate differentials with Malaysia's steady OPR, creating a catalyst for MYR appreciation. Accordingly, we maintain a bearish view on USDMYR in the near term, with the pair likely to trade in the 4.1910–4.2530 range.



Source: Bloomberg

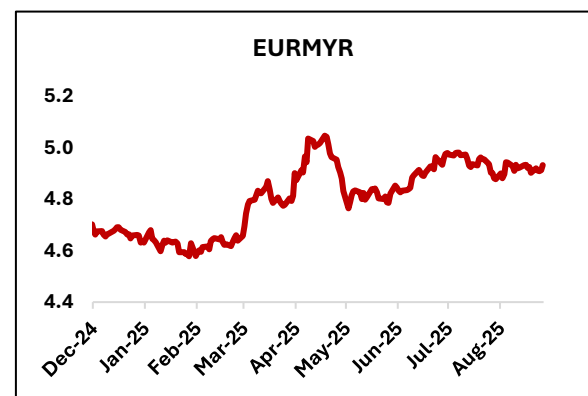
Table 2: Selected Currencies Overview (MYR Crosses)

	15-Aug	22-Aug	29-Aug	WoW	YTD
USDMYR	4.2133	4.2267	4.2248	0.0%	5.9%
EURMYR	4.9228	4.9019	4.9325	-0.6%	-5.5%
GBPMYR	5.7122	5.6687	5.6868	-0.3%	-1.3%
SGDMYR	3.2849	3.2784	3.2882	-0.3%	-0.1%
JPYMYR	2.8618	2.8768	2.8738	0.1%	-1.0%
AUDMYR	2.7414	2.7133	2.758	-1.6%	0.8%
CNYMYR	0.58672	0.58876	0.59259	-0.6%	3.4%

Sources: Bloomberg, Bank Islam

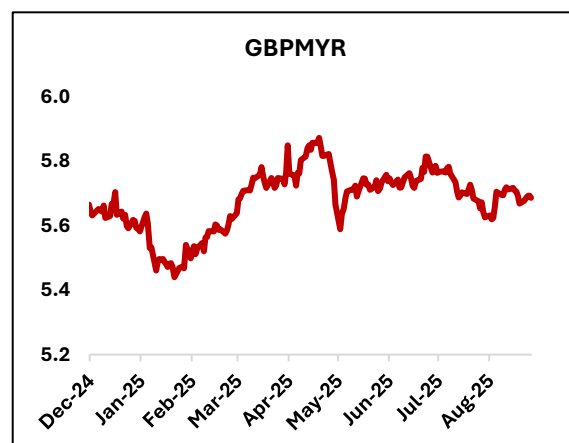
### Short Term Outlook for Ringgit Pairs

The outlook for EUR/MYR remains slightly bearish amid mounting political uncertainty in France ahead of the 8 September confidence vote. A collapse of Bayrou's government would weigh heavily on both the economic and fiscal outlook, while the protracted process of appointing a new prime minister would extend instability and dampen investor confidence in French assets. Against this backdrop, we expect the MYR to gain modestly against the EUR in the near term.



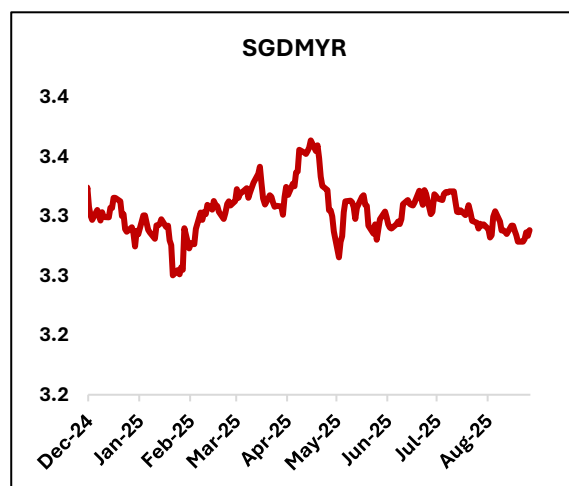
Source: Bloomberg

The outlook for GBP/MYR is bullish as markets anticipate the Bank of England will proceed with greater caution, potentially slowing the pace of rate cuts. This view is reinforced by persistent inflationary pressures, even as growth uncertainties linger. The narrow 5–4 split at the BOE's August meeting further highlights the policy divide, with markets leaning toward the central bank holding rates steady in the near term to assess incoming data. While Bank Negara Malaysia is also expected to keep the OPR unchanged, the interest rate differential continues to favour the GBP, putting upward pressure on GBP/MYR in the short term.



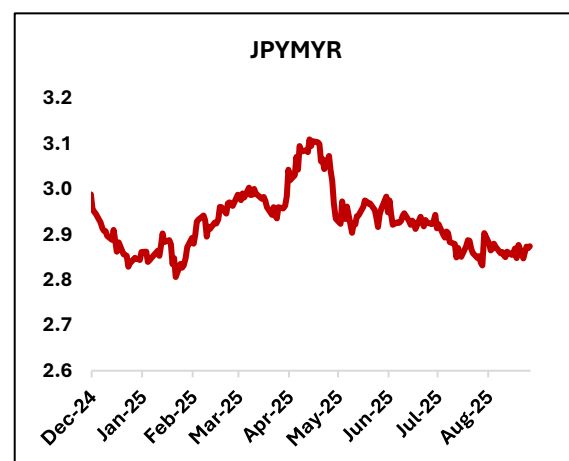
Source: Bloomberg

The outlook for SGD/MYR is neutral to slightly bearish, as both economies continue to experience sluggish inflation, pointing to subdued domestic demand. In addition, exports in Singapore and Malaysia face similar risks should Trump move ahead with semiconductor tariffs. That said, Malaysia's growth prospects appear more resilient, supported by government measures in 2H2025 aimed at boosting household consumption. This should give the MYR a slight edge over the SGD in the near term.



Source: Bloomberg

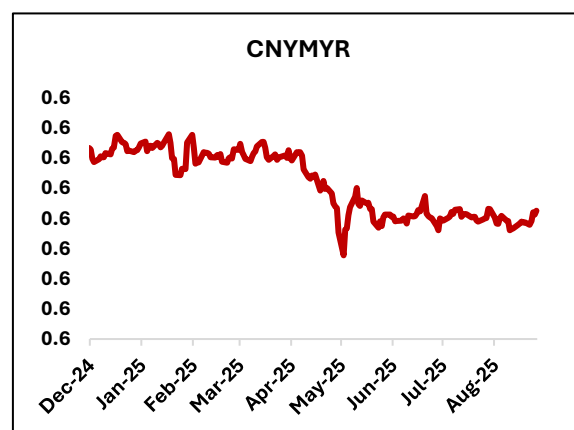
The outlook for the JPY/MYR is mildly bearish amid dimmer hopes of BOJ rate hikes following softer than expected economic figures. Considering that inflationary pressures have moderated, markets foresee the BOJ to focus on supporting domestic demand as retail sales unexpectedly slowed. Furthermore, catalysts for household spending such as the historic spring pay revisions and labour market resilience failed to prop up demand. On the contrary, the Malaysian government had announced a slew of boosters that will inject more than RM2.8 billion into the economy through consumers. As such, we expect the MYR to rise amid its rosier appeal to investors.



Source: Bloomberg

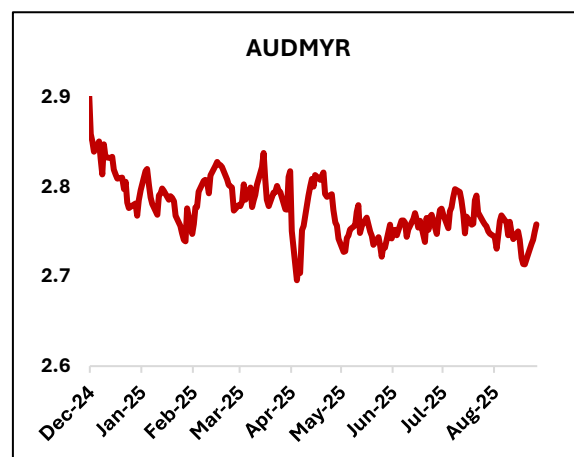


The outlook for CNY/MYR remains slightly bearish despite the PBOC's efforts to guide the appreciation of the CNY. This is due to the MYR's favourable trajectory thus far whilst the CNY is seen to rise more gradually. As such, the MYR stands on relatively footing better compared to the CNY in the near term.



Source: Bloomberg

The AUD/MYR outlook is bearish amid the surprise inflation surge in Australia, reinforcing expectations that the RBA exert a slower pace of cuts moving forward. Amid the interplay between highly sensitive variables of price pressures and labour market conditions, the central bank is anticipated to remain vigilant to shifting risks—risks that currently backs the case for a sufficiently restrictive interest rate to tame the rising inflation.



Source: Bloomberg

PUBLIC