

# Ringgit Weekly Outlook

To stay defensive amid trade risks and ahead of key central banks' decisions

## Overview

- Performance:** As expected, the ringgit remained defensive within the 4.41–4.43/USD range this week. Focus has shifted from Europe to tariffs, the US recession narrative, and the Fed's policy outlook.
- Market Dynamics:** Despite Fed Powell's optimistic speech last Friday and escalating trade tensions, the USD index (DXY) remained weak, trading below 104.0. This was largely due to the US equity slump, scattered recession warnings, and optimism over a potential Russia-Ukraine ceasefire. Interestingly, despite cooler-than-expected US CPI and PPI readings, the DXY regained some ground. Markets, however, remain hesitant to embrace the deflationary narrative until the impact of tariffs becomes clearer.
- Data Impact:** While the US House passed a bill to avert a shutdown, Senate Democrats pose a key hurdle, sustaining political risk. Next week, central banks take centre stage, with the Fed, BoJ, and BoE expected to hold rates. Markets will closely watch their tone and economic projections for guidance. US retail sales will also be key indicator—if data fails to confirm economic pessimism, the DXY may recover losses.
- Outlook:** The ringgit could test 4.45/USD but is likely to stay defensive within 4.43–4.47/USD as markets seek clarity. Optimism surrounding China and a brighter European outlook may continue to weigh on the DXY. However, a "higher-for-longer" Fed stance and a cautious BoJ amid trade risks could support a rebound.
- Technical:** USDMYR remains neutral, hovering near its 5-day EMA at 4.434, with RSI in the mid-range. Persistent market volatility is likely to keep the pair fluctuating within (S1) 4.424 and (R1) 4.455.

Table 1: Currency Outlook

Long Term*							
	Q4-24	Q1-25F	Q2-25F	Q3-25F	Q4-25F	Q1-26F	Trend
USDMYR	4.472	4.480	4.530	4.490	4.449	4.383	▲

Short Term (Technical)							
	RSI (7)	EMA (5)	R1	R2	S1	S2	Trend
USDMYR	58.785	4.434	4.455	4.466	4.424	4.403	—

Signal for USD Trend = ▲ Bullish — Neutral ▼ Bearish

\*F=Forecasts for end of period  
Source: Kenanga Research, Bloomberg

RSI (7): 7-day Relative Strength Index

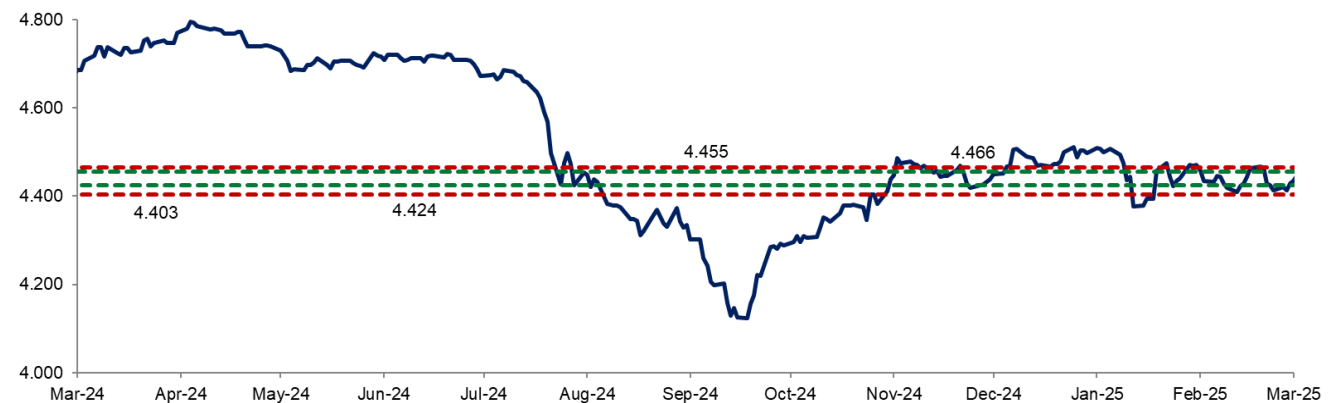
Measures the speed and magnitude of a security's recent price changes to evaluate overvalued or undervalued conditions. A reading of 80 or above indicates an overbought situation while a reading of 20 or below indicates an oversold condition.

EMA (5): 5-day Exponential Moving Average

EMA gives more weight to the most recent periods, places more emphasis on what has been happening lately. Old data points retain a multiplier even if they are outside of the selected data series length.

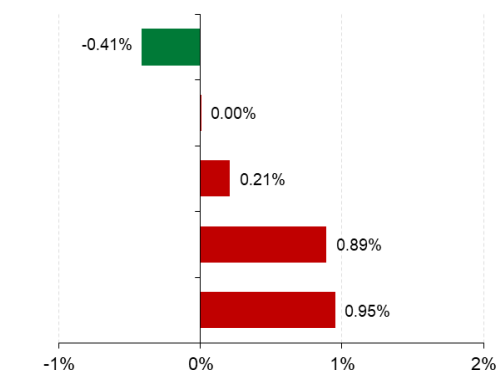
$$EMA = (P \times \alpha) + [Previous\ EMA \times (1 - \alpha)]$$

Graph 1: USDMYR Trend



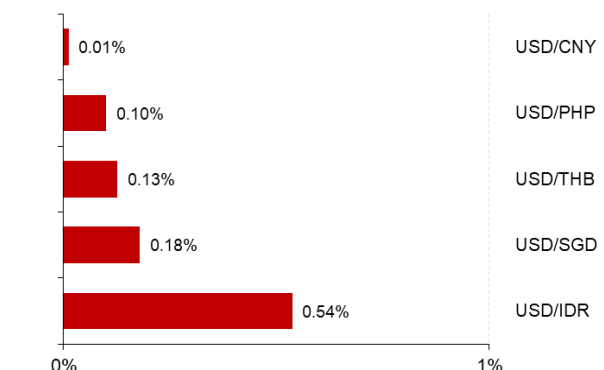
Source: Kenanga Research, Bloomberg

Graph 2: Weekly Core Pairs' Performance



Source: Kenanga Research, Bloomberg

Graph 3: Weekly Regional Peers' Performance



Source: Kenanga Research, Bloomberg

14 March 2025

Table 2: Performance of Core Pairs

Currencies	02/01/25 YTD	13/03/24 Last Year	13/02/25 Last Month	06/03/25 Last Week	13/03/25 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
<b>MYR</b>									
USDMYR	4.479	4.686	4.457	4.425	4.434	-0.99%	-5.37%	-0.50%	0.21%
AUDMYR	2.785	3.097	2.793	2.802	2.791	0.22%	-9.89%	-0.06%	-0.41%
GBPMYR	5.590	5.989	5.566	5.699	5.750	2.85%	-3.99%	3.30%	0.89%
EURMYR	4.636	5.120	4.645	4.779	4.824	4.06%	-5.78%	3.86%	0.95%
JPYMYR	2.850	3.168	2.898	2.993	2.993	5.02%	-5.52%	3.28%	0.00%
SGDMYR	3.288	3.515	3.302	3.320	3.324	1.11%	-5.42%	0.68%	0.13%
<b>ASEAN 5 + CNY + JPY</b>									
USDIDR	16198	15575	16361	16340	16428	1.42%	5.48%	0.41%	0.54%
USDTHB	34.276	35.691	33.808	33.742	33.785	-1.43%	-5.34%	-0.07%	0.13%
USDSGD	1.365	1.333	1.349	1.333	1.336	-2.14%	0.16%	-1.01%	0.18%
USDPHP	57.884	55.385	58.071	57.304	57.362	-0.90%	3.57%	-1.22%	0.10%
USDCNY	7.299	7.187	7.288	7.242	7.243	-0.77%	0.78%	-0.61%	0.01%
USDJPY	157.140	147.920	153.790	147.860	148.150	-5.72%	0.16%	-3.67%	0.20%
<b>USD</b>									
EURUSD	1.032	1.093	1.042	1.079	1.087	5.36%	-0.56%	4.36%	0.72%
GBPUSD	1.245	1.279	1.249	1.287	1.296	4.09%	1.29%	3.70%	0.64%
AUDUSD	0.621	0.661	0.627	0.633	0.629	1.29%	-4.84%	0.34%	-0.62%

Source: Kenanga Research, Bloomberg

Table 3: Upcoming Major Data Release And Policy Announcement for the Week

Date	Country	Indicator	Previous	Consensus/Forecast
17/3/2025	CN	Retail Sales (JAN-FEB)	3.7% YoY	N/A
17/3/2025	US	Retail Sales (FEB)	-0.9% MoM	0.7% MoM
19/3/2025	JP	BoJ Interest Rate Decision	0.50%	0.50% (status quo)
20/3/2025	US	Fed Interest Rate Decision	4.50%	4.50% (status quo)
20/3/2025	CN	Loan Prime Rate 1Y	3.10%	3.10% (status quo)
20/3/2025	MY	Exports (FEB)	0.3% YoY	N/A
20/3/2025	UK	BoE Interest Rate Decision	4.50%	4.50% (status quo)
21/3/2025	MY	Inflation Rate (FEB)	1.7% YoY	1.4% YoY*

Source: Kenanga Research, Trading Economics, Bloomberg

\*KIBB

## For further information, please contact:

**Wan Suhaimie Wan Mohd Saidie**  
Head of Economic Research  
[wansuhaimi@kenanga.com.my](mailto:wansuhaimi@kenanga.com.my)

**Muhammad Saifuddin Sapuan**  
Economist  
[saifuddin.sapuan@kenanga.com.my](mailto:saifuddin.sapuan@kenanga.com.my)

**Afiq Asyraf Syazwan Abd. Rahim**  
Economist  
[afiqasyraf@kenanga.com.my](mailto:afiqasyraf@kenanga.com.my)

**Nurul Hanees Hairulkama**  
Economist  
[nurulhanees@kenanga.com.my](mailto:nurulhanees@kenanga.com.my)

This document has been prepared for general circulation based on information obtained from sources believed to be reliable, but we do not make any representations as to its accuracy or completeness. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may read this document. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees. Kenanga Investment Bank Berhad accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities. Kenanga Investment Bank Berhad and its associates, their directors, and/or employees may have positions in, and may affect transactions in securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies. Kenanga Investment Bank Berhad being a full-service investment bank offers investment banking products and services and acts as issuer and liquidity provider with respect to a security that may also fall under its research coverage.

Published by:

**KENANGA INVESTMENT BANK BERHAD (15678-H)**

Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia

Telephone: (603) 2172 0880 Website: [www.kenanga.com.my](http://www.kenanga.com.my) E-mail: [research@kenanga.com.my](mailto:research@kenanga.com.my)