

Ringgit Weekly Outlook

Energy shocks and geopolitical tension caps MYR near 3.93-3.95 level despite LNG buffer

Overview

- Performance:** The MYR depreciated toward 3.96/USD before stabilising near 3.93/USD as Brent crude retreated from its peak.
- Market Dynamics:** The ringgit initially weakened past 3.96/USD as Brent spiked near USD120.0/bbl. The local note then strengthened toward 3.92-3.93/USD as high LNG prices partly offset the broader impact of rising global oil costs. Malaysia's status as a leading LNG exporter provides a structural buffer compared with regional energy importers. This reduced downside pressure on MYR limited USD gains against the ringgit, even as the broader USD remained firm
- Data Impact:** Tonight's US Core PCE data remains critical. A firm reading would likely reinforce the Fed's restrictive stance. While softer payrolls recently provided temporary relief, the ringgit's direction continues to be driven by energy volatility and geopolitical developments. Upcoming central bank decisions (Fed, BoJ, ECB, and BoE) will be closely watched, as hawkish moves to curb imported inflation could influence broader USD trends.
- Outlook:** Our baseline assumes no swift de-escalation and continued vulnerability of critical Middle East supply routes. Elevated energy prices should keep global inflation risks and bond yields biased higher, tightening financial conditions and reducing the scope for near term Fed easing. Investors are likely to remain defensive and reduce exposure to high beta EM assets. Despite Malaysia's LNG windfall providing partial insulation, the ringgit should stay capped and trade sideways with a mild weakening bias around 3.93-3.95/USD.
- Technical:** USDMYR turned neutral and is likely to stabilise near the 5-day EMA around the 3.93 level.

Table 1: Currency Outlook

Long Term*							
	Q4-25	Q1-26F	Q2-26F	Q3-26F	Q4-26F	Q1-27F	Trend
USDMYR	4.06	3.95	3.88	3.90	3.95	4.00	▼
Short Term (Technical)							
	RSI (7)	EMA (5)	R1	R2	S1	S2	Trend
USDMYR	50.871	3.930	3.954	3.979	3.912	3.895	▼

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.

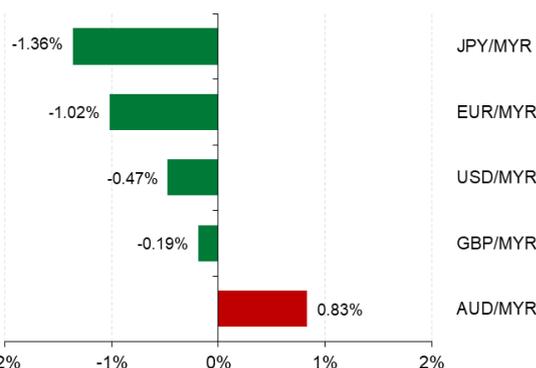
$$EMA = (P \times \alpha) + [Previous\ EMA \times (1 - \alpha)]$$

Graph 1: USDMYR Trend



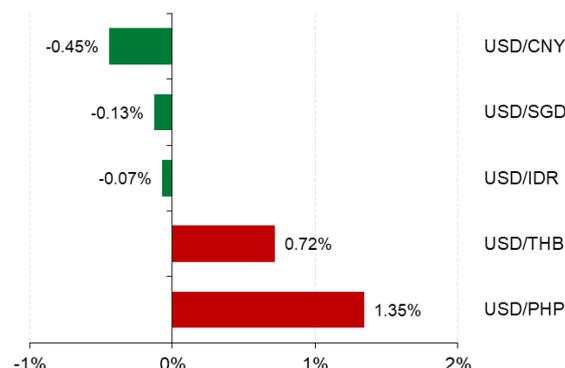
Source: Kenanga Research, Bloomberg

Graph 2: Weekly Core Pairs' Performance



Source: Kenanga Research, Bloomberg

Graph 3: Weekly Regional Peers' Performance



Source: Kenanga Research, Bloomberg

13 Mar 2026

Table 2: Performance of Core Pairs

Currencies	02/01/26 YTD	12/03/25 Last Year	12/02/26 Last Month	05/03/26 Last Week	12/03/26 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
MYR									
USDMYR	4.054	4.428	3.903	3.945	3.926	-12.34%	-11.34%	0.59%	-0.47%
AUDMYR	2.716	2.785	2.780	2.779	2.802	0.63%	0.63%	0.80%	0.83%
GBPMYR	5.455	5.727	5.327	5.268	5.258	-5.93%	-8.19%	-1.28%	-0.19%
EURMYR	4.752	4.833	4.640	4.585	4.538	-2.11%	-6.10%	-2.19%	-1.02%
JPYMYR	2.585	2.978	2.549	2.508	2.474	-13.20%	-16.94%	-2.97%	-1.36%
SGDMYR	3.152	3.320	3.096	3.091	3.080	-6.31%	-7.22%	-0.52%	-0.36%
ASEAN 5 + CNY + JPY									
USDIDR	16725	16452	16828	16905	16893	4.29%	2.68%	0.39%	-0.07%
USDTHB	31.524	33.858	30.971	31.595	31.822	-7.16%	-6.01%	2.75%	0.72%
USDSGD	1.286	1.334	1.261	1.277	1.275	-6.57%	-4.39%	1.11%	-0.13%
USDPHP	58.862	57.364	58.108	58.616	59.405	2.63%	3.56%	2.23%	1.35%
USDCNY	6.989	7.238	6.901	6.911	6.881	-5.74%	-4.94%	-0.30%	-0.45%
USDJPY	156.840	148.680	153.120	157.290	158.720	1.01%	6.75%	3.66%	0.91%
USD									
EURUSD	1.172	1.091	1.188	1.161	1.156	12.03%	5.98%	-2.69%	-0.46%
GBPUSD	1.346	1.293	1.364	1.335	1.339	7.60%	3.55%	-1.80%	0.31%
AUDUSD	0.669	0.629	0.712	0.705	0.713	14.90%	13.45%	0.15%	1.25%

Source: Kenanga Research, Bloomberg

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

Date	Country	Indicator	Previous	Consensus/Forecast
16/3/2026	CN	Industrial Production (JAN-FEB)	5.2% YoY	5.0% YoY
16/3/2026	US	Industrial Production (FEB)	0.7% MoM	0.1% MoM
18/3/2026	US	PPI (FEB)	0.5% MoM	0.3% MoM
19/3/2026	US	Fed Interest Rate Decision	3.75%	3.75% (status quo)*
19/3/2026	JP	BoJ Interest Rate Decision	0.75%	0.75% (status quo)
20/3/2026	MY	Inflation Rate (FEB)	1.6% YoY	1.4% YoY*
20/3/2026	UK	BoE Interest Rate Decision	3.75%	3.75% (status quo)
20/3/2026	EA	ECB Interest Rate Decision	2.00%	2.00% (status quo)

Source: Kenanga Research, Trading Economics, Bloomberg

*KIBB

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