

# Ringgit Weekly Outlook

Prolonged war risks and Fed hawkishness to anchor MYR around 4.00/USD level

## Overview

- Performance:** The MYR weakened toward 4.00/USD as expectations of a prolonged conflict triggered catch-up depreciation.
- Market Dynamics:** Broad consensus and Polymarket predictions suggest the conflict may persist beyond mid-year, shifting the narrative toward duration risk. The ringgit's initial outperformance faded in a late-cycle correction. Brent crude holding near USD100.0/barrel has added to US inflation concerns. Consequently, investors have repriced Fed expectations more hawkishly, supporting the USD.
- Data Impact:** Upcoming PMIs, US retail sales and labour market data will be watched closely, but remain secondary to war driven energy inflation. Malaysia's BUDI95 fuel rationalisation shows policy agility and supports the medium-term fiscal trajectory, though near term FX direction remains driven by the Fed's response to sustained energy shocks. If oil prices stay elevated and push up headline CPI, expectations for Fed easing could be delayed. Market discussion is increasingly shifting toward the risk of renewed tightening.
- Outlook:** We assume the West Asia conflict extends into 3Q26, keeping the Fed restrictive until 4Q26. Elevated energy prices provide Malaysia with a fiscal cushion, but prolonged trade disruptions could erode structural advantages. Investors are likely to stay overweight USD as protection against renewed escalation once the current 10-day pause on strikes end. This could keep the USDMYR broadly anchored near 4.00 in the near term.
- Technical:** USDMYR is overbought, with resistance at 4.02 and immediate support near the 3.96 level.

Table 1: Currency Outlook

Long Term*							
	Q4-25	Q1-26F	Q2-26F	Q3-26F	Q4-26F	Q1-27F	Trend
USDMYR	4.06	4.00	4.05	4.00	3.95	4.00	▼

Short Term (Technical)							
	RSI (7)	EMA (5)	R1	R2	S1	S2	Trend
USDMYR	84.166	3.977	4.024	4.046	3.959	3.916	▼

Signal for USD Trend = ▲ Bullish    — Neutral    ▼ Bearish

\*F=Forecasts for end of period

Source: Kenanga Research, Bloomberg

RSI (7): 7-day Relative Strength Index

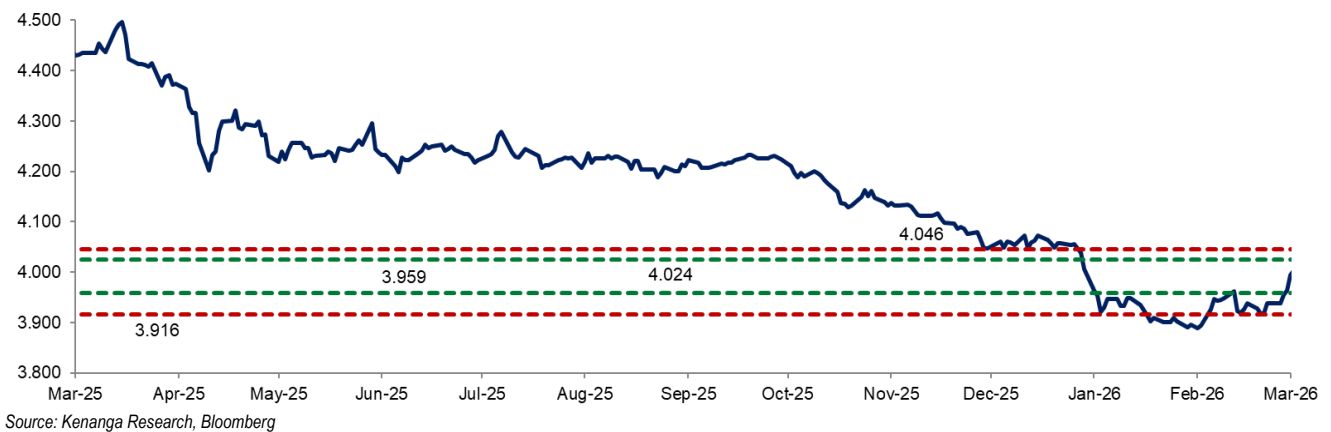
Measures the speed and magnitude of a security's recent price changes to evaluate overvalued or undervalued conditions. A reading of 80 or above indicates an overbought situation while a reading of 20 or below indicates an oversold condition.

EMA (5): 5-day Exponential Moving Average

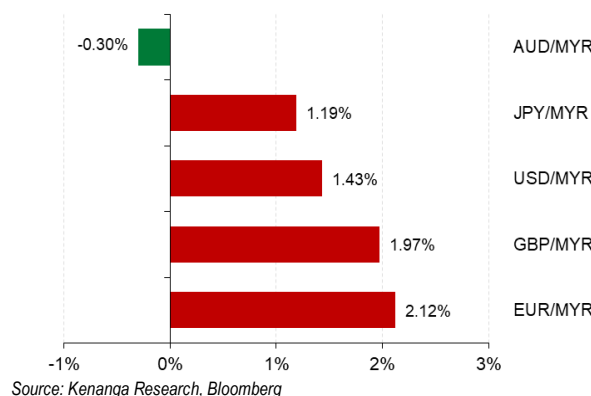
EMA gives more weight to the most recent periods, places more emphasis on what has been happening lately. Old data points retain a multiplier even if they are outside of the selected data series length.

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

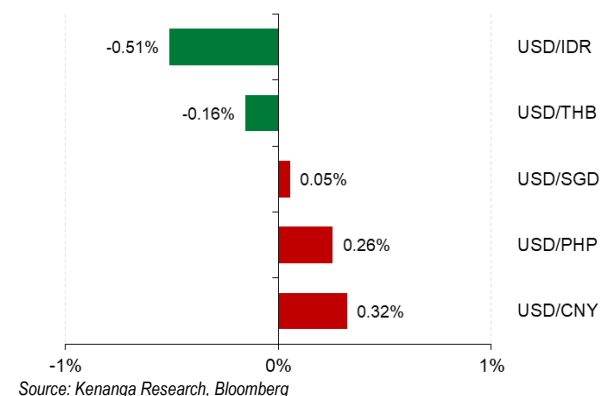
Graph 1: USDMYR Trend



Graph 2: Weekly Core Pairs' Performance



Graph 3: Weekly Regional Peers' Performance



27 Mar 2026

Table 2: Performance of Core Pairs

Currencies	02/01/26 YTD	26/03/25 Last Year	26/02/26 Last Month	19/03/26 Last Week	26/03/26 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
<b>MYR</b>									
USDMYR	4.054	4.430	3.890	3.937	3.994	-10.82%	-9.84%	2.68%	1.43%
AUDMYR	2.716	2.801	2.768	2.778	2.770	-0.52%	-1.09%	0.06%	-0.30%
GBPMYR	5.455	5.718	5.261	5.230	5.333	-4.60%	-6.73%	1.36%	1.97%
EURMYR	4.752	4.782	4.589	4.521	4.617	-0.42%	-3.47%	0.61%	2.12%
JPYMYR	2.585	2.950	2.494	2.475	2.504	-12.14%	-15.11%	0.40%	1.19%
SGDMYR	3.152	3.311	3.078	3.071	3.112	-5.35%	-6.02%	1.10%	1.32%
<b>ASEAN 5 + CNY + JPY</b>									
USDIDR	16725	16588	16759	16991	16904	4.36%	1.90%	0.87%	-0.51%
USDTHB	31.524	33.958	31.061	32.855	32.804	-4.29%	-3.40%	5.61%	-0.16%
USDSGD	1.286	1.337	1.264	1.283	1.284	-5.95%	-4.02%	1.57%	0.05%
USDPHP	58.862	57.688	57.63	60.101	60.255	4.10%	4.45%	4.55%	0.26%
USDCNY	6.989	7.268	6.846	6.891	6.913	-5.29%	-4.89%	0.99%	0.32%
USDJPY	156.840	150.190	155.960	159.130	159.490	1.50%	6.19%	2.26%	0.23%
<b>USD</b>									
EURUSD	1.172	1.079	1.180	1.147	1.156	12.02%	7.09%	-2.04%	0.72%
GBPUSD	1.346	1.291	1.354	1.328	1.335	7.29%	3.46%	-1.34%	0.56%
AUDUSD	0.669	0.633	0.711	0.705	0.693	11.68%	9.59%	-2.53%	-1.66%

Source: Kenanga Research, Bloomberg

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

Date	Country	Indicator	Previous	Consensus/Forecast
31/3/2026	CN	NBS Manufacturing PMI (MAR)	49.0	50.2
31/3/2026	MY	M3 Money Supply (FEB)	3.4% YoY	N/A
31/3/2026	US	S&P/Case-Shiller Home Price (JAN)	1.4% YoY	N/A
31/3/2026	US	JOLTs Job Openings (FEB)	6.946m	N/A
1/4/2026	MY	S&P Global Manufacturing PMI (MAR)	49.3	N/A
1/4/2026	US	Retail Sales (FEB)	-0.2% MoM	0.4% MoM
1/4/2026	US	ISM Manufacturing PMI (MAR)	52.4	52.3
2/4/2026	US	Initial Jobless Claims (MAR/28)	210.0k	N/A

Source: Kenanga Research, Trading Economics, Bloomberg

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