

# Ringgit Weekly Outlook

On the defensive as geopolitics and hawkish Fed repricing to cap recovery

## Overview

- Performance:** USDMYR traded within 3.95–3.98, with ringgit edging weaker as geopolitics drove sentiment.
- Market Dynamics:** Tit-for-tat US-Iran military strikes earlier in the week kept risk sentiment fragile before a tentative breakthrough on Thursday. US and Iranian negotiators reached a 60-day ceasefire MOU to extend the truce and launch nuclear talks, though Trump’s approval and Iran’s formal confirmation remain pending. Higher US yields reinforced broad USD demand as markets repriced Fed expectations toward renewed tightening. FX positioning stayed defensive, with the DXY holding near 99.0 and EMFX recovery attempts capped by lingering geopolitical uncertainty.
- Data Impact:** Focus shifts to the proposed 60-day US-Iran ceasefire extension and upcoming US labour market data. Softer US core PCE and weaker 1Q GDP had little market impact, with geopolitical headlines dominating. Markets still expect the Fed to maintain a hawkish bias given persistent energy-driven inflation risks. A confirmed reopening of the Strait, even temporarily, could ease global supply pressures.
- Outlook:** Geopolitical negotiations remain fragile, keeping oil prices elevated and risk sentiment cautious. Persistent inflation concerns and resilient US yields should continue supporting the USD. Positioning is expected to stay defensive as Middle East de-escalation remains uncertain. We expect USDMYR to trade within 3.96–4.00, with ringgit direction highly sensitive to geopolitical headlines and Fed repricing risks.
- Technical:** USDMYR is nearing overbought territory, with immediate support at 3.962 and resistance at 3.987.

Table 1: Currency Outlook

Long Term*							
	Q1-26	Q2-26F	Q3-26F	Q4-26F	Q1-27F	Q2-27F	Trend
USDMYR	4.05	4.00	3.98	3.95	4.00	4.02	▼
Short Term (Technical)							
	RSI (7)	EMA (5)	R1	R2	S1	S2	Trend
USDMYR	64.337	3.972	3.987	3.996	3.962	3.944	—

Signal for USD Trend = ▲ Bullish — Neutral ▼ Bearish

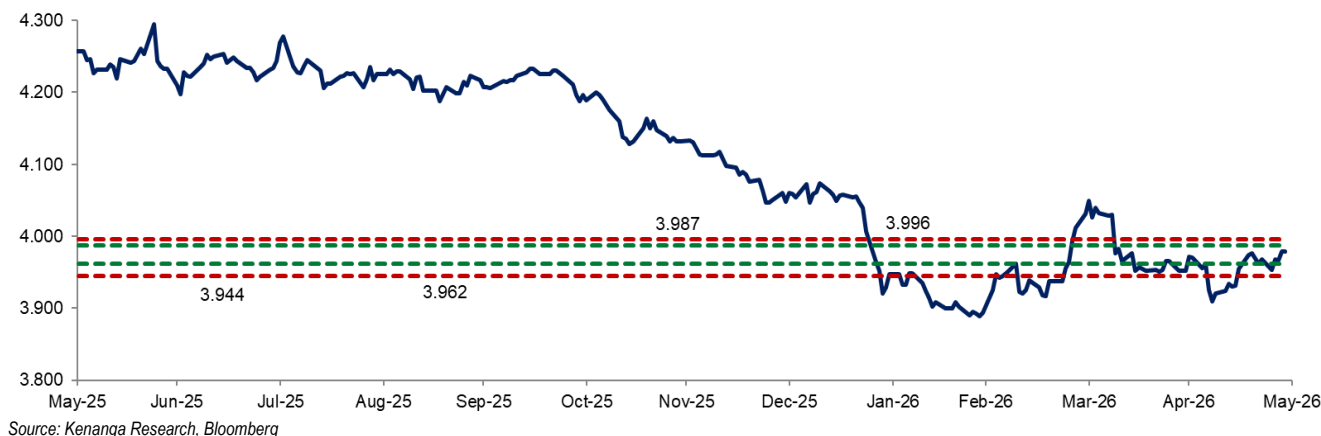
\*F=Forecasts for end of period  
Source: Kenanga Research, Bloomberg

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.

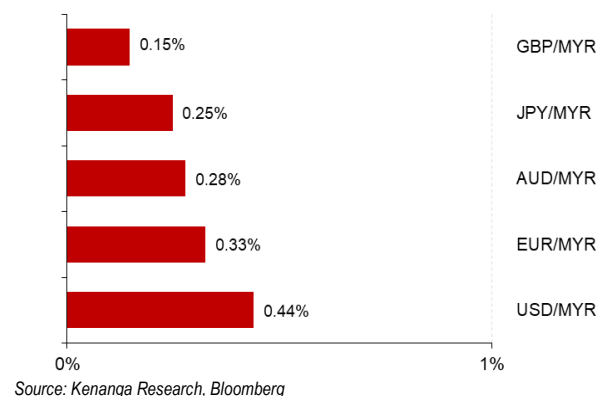
EMA (5): 5-day Exponential Moving Average  
EMA gives more weight to the most recent periods, places more emphasis on what has been happening lately. Old data points retain a multiplier even if they are outside of the selected data series length.

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

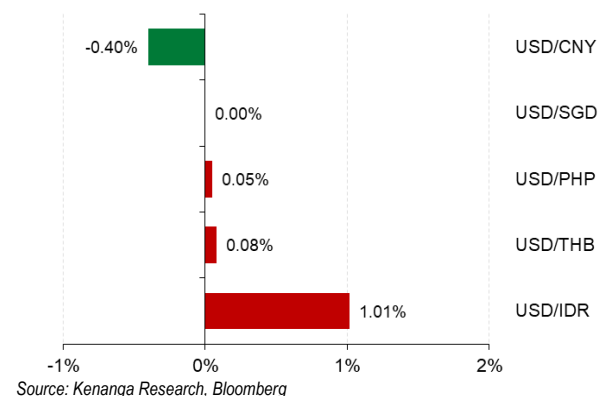
Graph 1: USDMYR Trend



Graph 2: Weekly Core Pairs’ Performance



Graph 3: Weekly Regional Peers’ Performance



29 May 2026

Table 2: Performance of Core Pairs

Currencies	02/01/26 YTD	28/05/25 Last Year	28/04/26 Last Month	21/05/26 Last Week	28/05/26 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
<b>MYR</b>									
USDMYR	4.054	4.225	3.953	3.961	3.979	-1.85%	-5.82%	0.66%	0.44%
AUDMYR	2.716	2.722	2.837	2.825	2.833	4.33%	4.10%	-0.12%	0.28%
GBPMYR	5.455	5.707	5.334	5.323	5.331	-2.27%	-6.60%	-0.06%	0.15%
EURMYR	4.752	4.788	4.622	4.606	4.621	-2.75%	-3.48%	-0.02%	0.33%
JPYMYR	2.585	2.928	2.476	2.489	2.496	-3.45%	-14.77%	0.80%	0.25%
SGDMYR	3.152	3.280	3.096	3.098	3.110	-1.33%	-5.17%	0.45%	0.39%
<b>ASEAN 5 + CNY + JPY</b>									
USDIDR	16725	16296	17243	17667	17846	6.70%	9.51%	3.50%	1.01%
USDTHB	31.524	32.627	32.512	32.698	32.723	3.80%	0.29%	0.65%	0.08%
USDSGD	1.286	1.288	1.277	1.280	1.280	-0.47%	-0.64%	0.23%	0.00%
USDPHP	58.862	55.497	61.285	61.59	61.620	4.69%	11.03%	0.55%	0.05%
USDCNY	6.989	7.196	6.837	6.803	6.776	-3.05%	-5.84%	-0.90%	-0.40%
USDJPY	156.840	144.280	159.630	159.130	159.470	1.68%	10.53%	-0.10%	0.21%
<b>USD</b>									
EURUSD	1.172	1.133	1.169	1.161	1.160	-0.98%	2.45%	-0.76%	-0.03%
GBPUSD	1.346	1.349	1.348	1.342	1.339	-0.50%	-0.78%	-0.70%	-0.26%
AUDUSD	0.669	0.644	0.717	0.713	0.711	6.26%	10.42%	-0.74%	-0.18%

Source: Kenanga Research, Bloomberg

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

Date	Country	Indicator	Previous	Consensus/Forecast
1/6/2026	CN	RatingDog Manufacturing PMI (MAY)	52.2	51.3
1/6/2026	US	ISM Manufacturing PMI (MAY)	52.7	53.2
2/6/2026	MY	S&P Global Manufacturing PMI (MAY)	51.6	N/A
2/6/2026	US	JOLTs Job Openings (APR)	6.866m	6.890m
3/6/2026	US	ADP Employment Change (MAY)	109.0k	120.0k
3/6/2026	US	ISM Services PMU (MAY)	53.6	53.7
5/6/2026	US	Non Farm Payrolls (MAY)	115.0k	93.0k
5/6/2026	US	Unemployment Rate (MAY)	4.3%	4.3%

Source: Kenanga Research, Trading Economics, Bloomberg

## 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)