

Ringgit Weekly Outlook

Gulf headlines hold the key as USDMYR tests 4.00

Overview

- Performance:** MYR weakened beyond 4.00/USD, pressured by stalled US-Iran talks, firmer US data, and renewed tariff concerns.
- Market Dynamics:** Limited progress in US-Iran negotiations and renewed US tariff concerns lifted risk aversion. The ringgit weakened as investors increased USD exposure amid resilient US data and rising Fed hike expectations. Persistent Strait of Hormuz disruptions kept oil prices elevated, reinforcing inflation concerns and pushing US Treasury yields higher. FX positioning remained USD-supportive as markets unwound dovish Fed bets and held defensive EM allocations.
- Data Watch:** Focus shifts to US non-farm payrolls and next week's inflation data to assess whether markets can sustain Fed rate expectations by year-end. Strong labour market and sticky inflation readings would reinforce USD strength and keep US yields elevated. Investors will also monitor US-Iran negotiations for signs that energy flows through the Strait of Hormuz can normalise. Domestic political developments in Johor are likely secondary unless they raise broader concerns about the political cycle.
- Outlook:** Our baseline assumes US-Iran negotiations remain fragile and the Strait of Hormuz stays partially disrupted. This should keep oil prices elevated, tilt inflation risks higher, and preserve Fed tightening expectations. Investors are likely to stay cautious until there is credible and tangible progress on diplomacy or energy flows. We expect USDMYR to trade within 4.00-4.05, with risks skewed toward further ringgit weakness.
- Technical:** USDMYR is approaching overbought territory, with immediate resistance at 4.04; support at 3.98.

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	78.637	4.001	4.037	4.055	3.983	3.947	▼

Signal for USD Trend = ▲ Bullish — Neutral ▼ Bearish

*F=Forecasts for end of period

Source: Kenanga Research, Bloomberg

RSI (7): 7-day Relative Strength Index

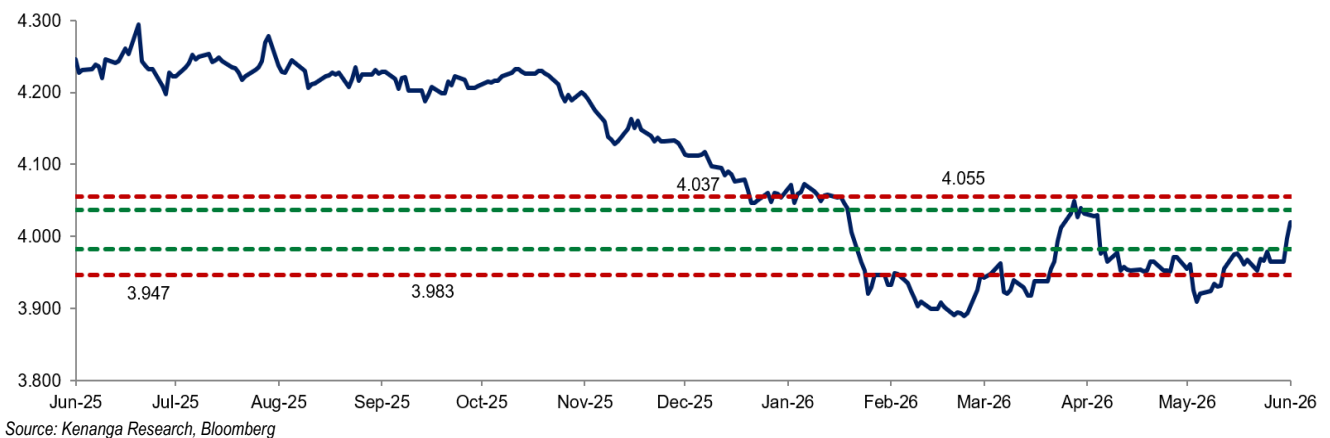
Measures the speed and magnitude of a security's recent price changes to evaluate overvalued or undervalued conditions. A reading of 80 or above indicates an overbought situation while a reading of 20 or below indicates an oversold condition.

EMA (5): 5-day Exponential Moving Average

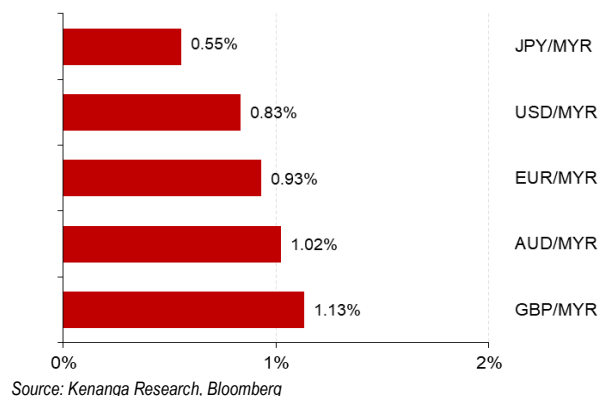
EMA gives more weight to the most recent periods, places more emphasis on what has been happening lately. Old data points retain a multiplier even if they are outside of the selected data series length.

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

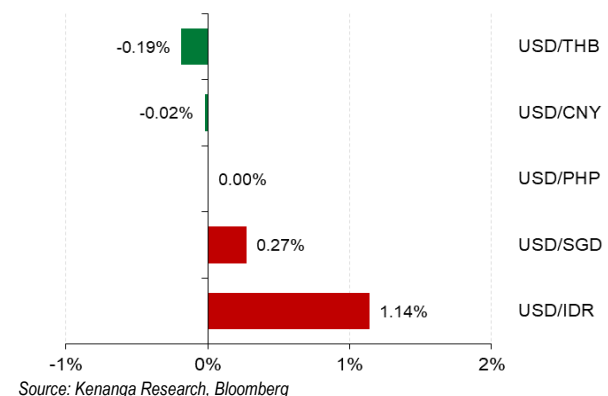
Graph 1: USDMYR Trend



Graph 2: Weekly Core Pairs' Performance



Graph 3: Weekly Regional Peers' Performance



05 June 2026

Table 2: Performance of Core Pairs

Currencies	02/01/26 YTD	04/06/25 Last Year	28/04/26 Last Month	28/05/26 Last Week	04/06/26 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
MYR									
USDMYR	4.054	4.246	3.953	3.979	4.012	-1.04%	-5.52%	1.50%	0.83%
AUDMYR	2.716	2.749	2.837	2.833	2.862	5.40%	4.11%	0.91%	1.02%
GBPMYR	5.455	5.748	5.334	5.331	5.391	-1.17%	-6.20%	1.07%	1.13%
EURMYR	4.752	4.833	4.622	4.621	4.664	-1.85%	-3.50%	0.91%	0.93%
JPYMYR	2.585	2.944	2.476	2.496	2.509	-2.92%	-14.75%	1.36%	0.55%
SGDMYR	3.152	3.293	3.096	3.110	3.126	-0.84%	-5.07%	0.96%	0.50%
ASEAN 5 + CNY + JPY									
USDIDR	16725	16295	17243	17846	18049	7.92%	10.76%	4.67%	1.14%
USDTHB	31.524	32.702	32.512	32.723	32.662	3.61%	-0.12%	0.46%	-0.19%
USDSGD	1.286	1.290	1.277	1.280	1.284	-0.19%	-0.48%	0.51%	0.27%
USDPHP	58.862	55.789	61.285	61.62	61.623	4.69%	10.46%	0.55%	0.00%
USDCNY	6.989	7.178	6.837	6.776	6.774	-3.07%	-5.63%	-0.92%	-0.02%
USDJPY	156.840	144.250	159.630	159.470	159.880	1.94%	10.84%	0.16%	0.26%
USD									
EURUSD	1.172	1.138	1.169	1.160	1.163	-0.76%	2.18%	-0.54%	0.22%
GBPUSD	1.346	1.352	1.348	1.339	1.344	-0.10%	-0.60%	-0.30%	0.40%
AUDUSD	0.669	0.648	0.717	0.711	0.713	6.59%	10.16%	-0.43%	0.31%

Source: Kenanga Research, Bloomberg

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

Date	Country	Indicator	Previous	Consensus/Forecast
9/6/2026	CN	Balance of Trade (MAY)	USD84.82b	USD88.60b
9/6/2026	US	ADP Employment Change Weekly	35.75k	N/A
9/6/2026	US	Balance of Trade (APR)	-USD60.3b	-USD55.5b
9/6/2026	US	Existing Home Sales (MAY)	4.02m	4.08m
10/6/2026	CN	Inflation Rate (MAY)	1.2% YoY	1.3% YoY
10/6/2026	US	Core Inflation (MAY)	0.4% MoM	0.3% MoM
11/6/2026	EA	ECB Interest Rate Decision	2.00%	2.25% (25 bps hike)
11/6/2026	US	PPI (MAY)	1.4% MoM	0.7% MoM

Source: Kenanga Research, Trading Economics, Bloomberg

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