

Ringgit Weekly Outlook

FOMC and US-Iran deal in focus as stronger USD narrative persists

Overview

- Performance:** MYR weakened to around 4.07/USD as stronger US data reinforced expectations of a higher-for-longer Fed.
- Market Dynamics:** A stronger US macro backdrop and rising expectations of Fed policy restraint boosted the USD. The ringgit weakened as markets pushed back Fed easing expectations and repriced higher US yields. Stable US employment and resilient inflation have reinforced the cyclical bullish USD narrative despite lingering geopolitical uncertainty. FX positioning remained USD supportive as investors maintained defensive EM allocations while awaiting greater clarity on both the geopolitical and policy fronts.
- Data Watch:** Attention now turns to next week's FOMC and BoJ meetings, alongside US retail sales and Malaysia's IPI and retail sales data (today). Markets will assess whether Fed officials are moving towards a more neutral policy stance rather than signalling renewed easing. Strong US activity data would reinforce the view that policy rates stay restrictive for longer and support the USD. Domestic data will be monitored for confirmation that growth momentum remains intact despite the recent uptick in unemployment.
- Outlook:** Our baseline assumes the Fed maintains a patient stance while geopolitical risks in West Asia remain elevated but manageable. Stable US employment and lingering inflation concerns should keep US yields elevated and preserve USD support. Investors are likely to remain cautious on emerging market currencies until there is clearer evidence of a Fed pivot or durable progress on regional diplomacy. We expect USDMYR to trade within 4.05-4.07, with risks tilted toward near-term ringgit weakness.
- Technical:** USDMYR remains near overbought territory, with immediate resistance at 4.07 and support at 4.05.

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	68.507	4.055	4.068	4.080	4.050	4.044	▼

Signal for USD Trend = ▲ Bullish — Neutral ▼ Bearish

*F=Forecasts for end of period

Source: Kenanga Research, Bloomberg

RSI (7): 7-day Relative Strength Index

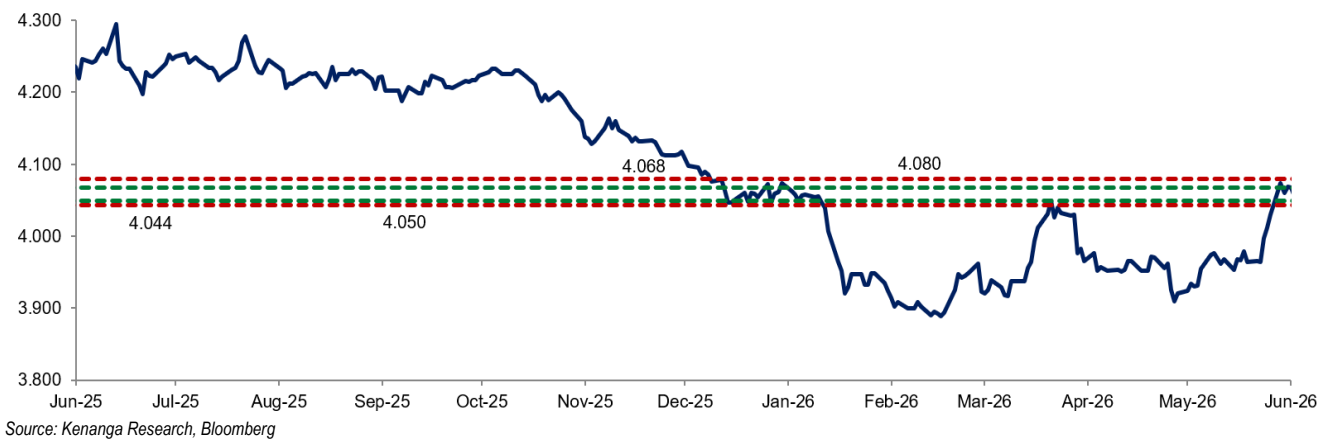
Measures the speed and magnitude of a security's recent price changes to evaluate overvalued or undervalued conditions. A reading of 80 or above indicates an overbought situation while a reading of 20 or below indicates an oversold condition.

EMA (5): 5-day Exponential Moving Average

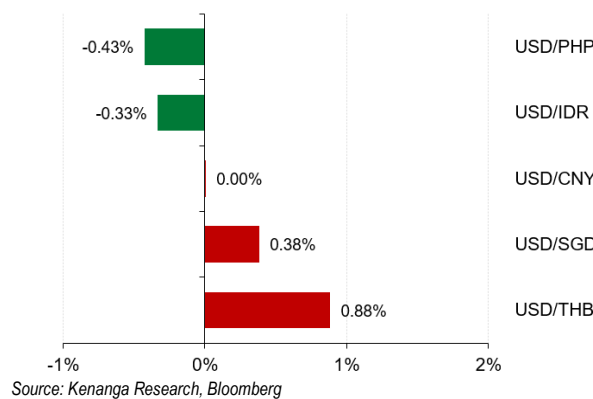
EMA gives more weight to the most recent periods, places more emphasis on what has been happening lately. Old data points retain a multiplier even if they are outside of the selected data series length.

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

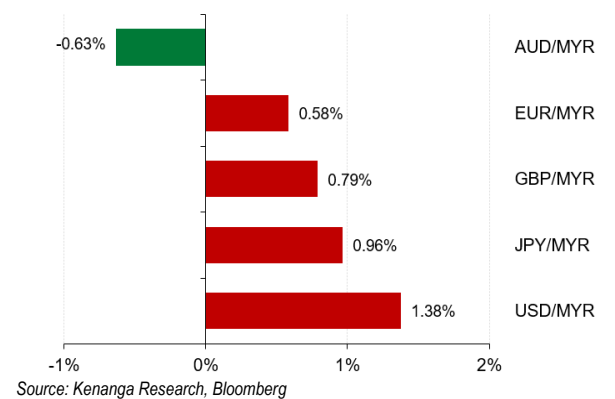
Graph 1: USDMYR Trend



Graph 2: Weekly Core Pairs' Performance



Graph 3: Weekly Regional Peers' Performance



12 June 2026

Table 2: Performance of Core Pairs

Currencies	02/01/26 YTD	11/06/25 Last Year	28/04/26 Last Month	04/06/26 Last Week	11/06/26 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
MYR									
USDMYR	4.054	4.236	3.953	4.012	4.067	0.33%	-3.99%	2.89%	1.38%
AUDMYR	2.716	2.760	2.837	2.862	2.844	4.74%	3.07%	0.27%	-0.63%
GBPMYR	5.455	5.719	5.334	5.391	5.433	-0.39%	-4.99%	1.87%	0.79%
EURMYR	4.752	4.843	4.622	4.664	4.691	-1.27%	-3.14%	1.50%	0.58%
JPYMYR	2.585	2.919	2.476	2.509	2.534	-1.98%	-13.19%	2.33%	0.96%
SGDMYR	3.152	3.293	3.096	3.126	3.157	0.16%	-4.13%	1.97%	1.00%
ASEAN 5 + CNY + JPY									
USDIDR	16725	16260	17243	18049	17989	7.56%	10.63%	4.33%	-0.33%
USDTHB	31.524	32.642	32.512	32.662	32.950	4.52%	0.94%	1.35%	0.88%
USDSGD	1.286	1.286	1.277	1.284	1.288	0.19%	0.18%	0.89%	0.38%
USDPHP	58.862	55.88	61.285	61.623	61.360	4.24%	9.81%	0.12%	-0.43%
USDCNY	6.989	7.190	6.837	6.774	6.775	-3.07%	-5.78%	-0.92%	0.00%
USDJPY	156.840	145.140	159.630	159.880	160.530	2.35%	10.60%	0.56%	0.41%
USD									
EURUSD	1.172	1.144	1.169	1.163	1.153	-1.60%	0.81%	-1.39%	-0.85%
GBPUSD	1.346	1.350	1.348	1.344	1.336	-0.72%	-1.02%	-0.93%	-0.62%
AUDUSD	0.669	0.651	0.717	0.713	0.700	4.51%	7.45%	-2.37%	-1.95%

Source: Kenanga Research, Bloomberg

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

Date	Country	Indicator	Previous	Consensus/Forecast
16/6/2026	CN	Industrial Production (MAY)	4.1% YoY	4.3% YoY
16/6/2026	CN	Retail Sales (MAY)	0.2% YoY	0.0% YoY
16/6/2026	JP	BoJ Interest Rate Decision	0.75%	1.00% (25 bps hike)
16/6/2026	US	Building Permits Preliminary (MAY)	1.423m	1.428m
16/6/2026	US	Housing Starts (MAY)	1.465m	1.430m
17/6/2026	US	Retail Sales (MAY)	0.5% MoM	0.5% MoM
18/6/2026	US	Fed Interest Rate Decision	3.75%	3.75% (status quo)
18/6/2026	UK	BoE Interest Rate Decision	3.75%	3.75% (status quo)

Source: Kenanga Research, Trading Economics, Bloomberg

For further information, please contact:

Wan Suhaimie Wan Mohd Saidie
Head of Economic Research
wansuhaimi@kenanga.com.my

Muhammad Saifuddin Sapuan
Economist
saifuddin.sapuan@kenanga.com.my

Afiq Asyraf Syazwan Abd. Rahim
Economist
afiqasyraf@kenanga.com.my

Nurul Hanees Hairulkama
Economist
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 E-mail: research@kenanga.com.my