

Ringgit Weekly Outlook

Hawkish Fed to test ringgit resilience despite easing Middle East risks

Overview

- Performance:** MYR weakened to 4.12/USD after the Fed's hawkish shift reinforced expectations of higher US rates for longer.
- Market Dynamics:** The Fed's hawkish pivot and reduced prospects for policy easing boosted the USD. The ringgit weakened sharply as markets repriced higher US yields and increased the probability of further Fed tightening. Improved US-Iran relations and lower oil prices failed to offset the impact of a more restrictive Fed outlook. FX positioning remained USD-supportive as investors pared back Fed easing expectations and maintained defensive allocations.
- Data Watch:** Focus next week will be on US core PCE inflation, which is expected to rise 0.3% MoM, alongside any developments surrounding the US-Iran negotiations. Markets will assess whether inflation remains sufficiently firm to justify the Fed's extended pause and preserve tightening risks. Investors will also monitor whether disruptions from the three-month Strait of Hormuz closure leave a lasting imprint on US activity and inflation dynamics. Progress or setbacks in the 60-day negotiation process could influence broader risk sentiment and FX markets.
- Outlook:** Our baseline assumes the US-Iran framework remains broadly intact despite occasional tensions during the 60-day negotiation period. The Fed's stronger focus on price stability and reduced easing expectations should keep US yields elevated relative to peers. Investors are likely to remain cautious on emerging market currencies while reassessing the prospect of a prolonged Fed pause. We expect USDMYR to trade within 4.10-4.14, with risks tilted toward near-term ringgit weakness.
- Technical:** USDMYR remains in a near-term uptrend above key moving averages, with resistance at 4.14 and support at 4.07.

Table 1: Currency Outlook

Long Term*							
	Q1-26	Q2-26F	Q3-26F	Q4-26F	Q1-27F	Q2-27F	Trend
USDMYR	4.05	4.08	4.03	3.95	4.00	4.02	▲
Short Term (Technical)							
	RSI (7)	EMA (5)	R1	R2	S1	S2	Trend
USDMYR	80.502	4.091	4.138	4.161	4.072	4.028	▼

Signal for USD Trend = ▲ Bullish — Neutral ▼ Bearish

*F=Forecasts for end of period

Source: Kenanga Research, Bloomberg

RSI (7): 7-day Relative Strength Index

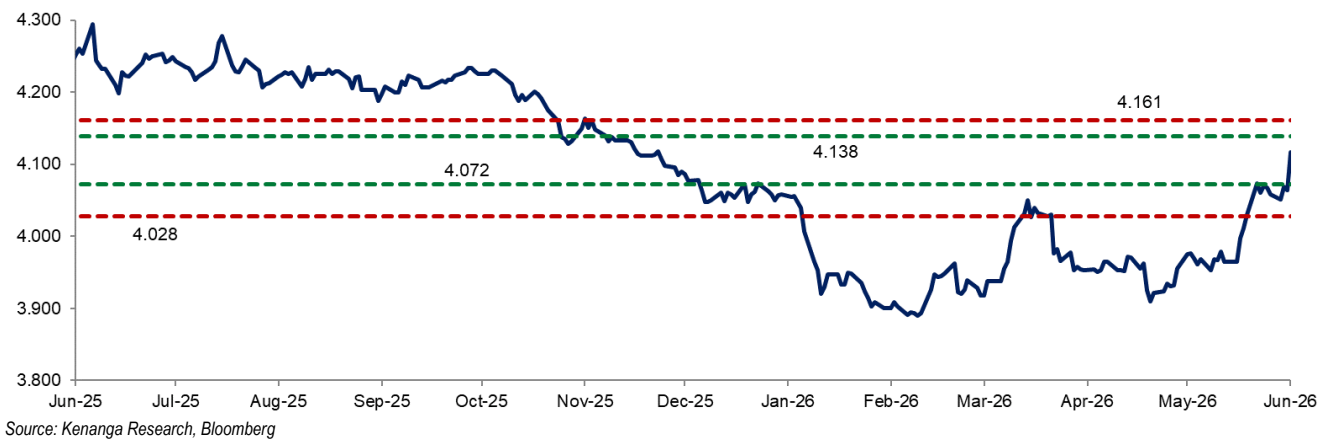
Measures the speed and magnitude of a security's recent price changes to evaluate overvalued or undervalued conditions. A reading of 80 or above indicates an overbought situation while a reading of 20 or below indicates an oversold condition.

EMA (5): 5-day Exponential Moving Average

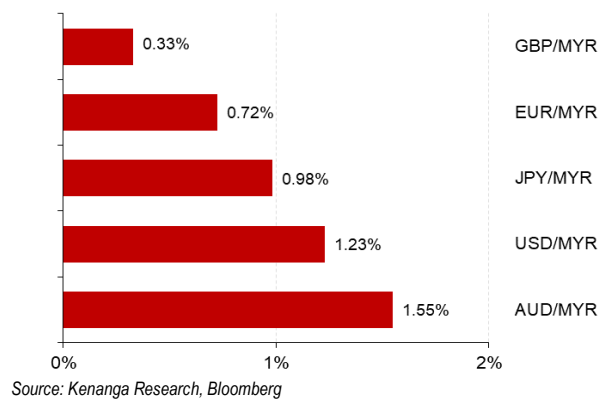
EMA gives more weight to the most recent periods, places more emphasis on what has been happening lately. Old data points retain a multiplier even if they are outside of the selected data series length.

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

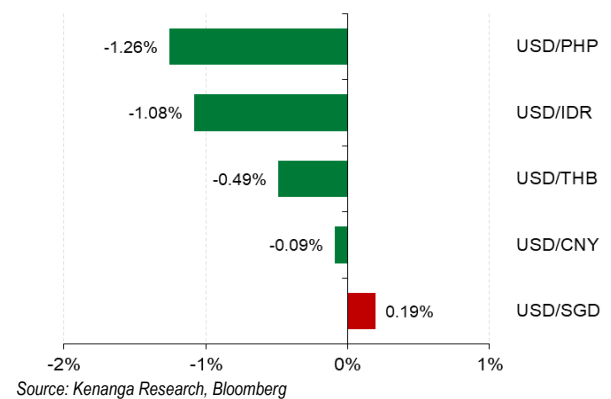
Graph 1: USDMYR Trend



Graph 2: Weekly Core Pairs' Performance



Graph 3: Weekly Regional Peers' Performance



19 June 2026

Table 2: Performance of Core Pairs

Currencies	02/01/26 YTD	18/06/25 Last Year	28/04/26 Last Month	11/06/26 Last Week	18/06/26 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
MYR									
USDMYR	4.054	4.253	3.953	4.067	4.117	1.56%	-3.19%	4.16%	1.23%
AUDMYR	2.716	2.764	2.837	2.844	2.888	6.36%	4.51%	1.82%	1.55%
GBPMYR	5.455	5.725	5.334	5.433	5.451	-0.06%	-4.77%	2.20%	0.33%
EURMYR	4.752	4.892	4.622	4.691	4.725	-0.56%	-3.41%	2.24%	0.72%
JPYMYR	2.585	2.936	2.476	2.534	2.558	-1.02%	-12.87%	3.34%	0.98%
SGDMYR	3.152	3.310	3.096	3.157	3.192	1.25%	-3.55%	3.08%	1.10%
ASEAN 5 + CNY + JPY									
USDIDR	16725	16313	17243	17989	17794	6.39%	9.08%	3.20%	-1.08%
USDTHB	31.524	32.632	32.512	32.95	32.788	4.01%	0.48%	0.85%	-0.49%
USDSGD	1.286	1.285	1.277	1.288	1.291	0.38%	0.43%	1.09%	0.19%
USDPHP	58.862	56.95	61.285	61.36	60.588	2.93%	6.39%	-1.14%	-1.26%
USDCNY	6.989	7.189	6.837	6.775	6.768	-3.16%	-5.86%	-1.01%	-0.09%
USDJPY	156.840	144.820	159.630	160.530	160.920	2.60%	11.12%	0.81%	0.24%
USD									
EURUSD	1.172	1.149	1.169	1.153	1.146	-2.20%	-0.28%	-1.98%	-0.61%
GBPUSD	1.346	1.344	1.348	1.336	1.323	-1.69%	-1.58%	-1.89%	-0.97%
AUDUSD	0.669	0.649	0.717	0.700	0.701	4.66%	7.97%	-2.23%	0.14%

Source: Kenanga Research, Bloomberg

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

Date	Country	Indicator	Previous	Consensus/Forecast
22/6/2026	CN	Loan Prime Rate (1Y)	3.00%	3.00% (status quo)
23/6/2026	US	ADP Employment Change Weekly	25.5k	N/A
24/6/2026	US	New Home Sales (MAY)	0.622m	0.640m
25/6/2026	US	Core PCE Price Index (MAY)	0.2% MoM	0.3% MoM
25/6/2026	US	Durable Goods Orders (MAY)	7.9% MoM	-4.7% MoM
25/6/2026	US	GDP Growth Rate Final (Q1)	0.5% QoQ	1.6% QoQ
25/6/2026	US	Personal Income (MAY)	0.0% MoM	0.4% MoM
25/6/2026	US	Personal Spending (MAY)	0.5% MoM	0.6% MoM

Source: Kenanga Research, Trading Economics, Bloomberg

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