Ringgit Weekly Outlook

October CPI holds the key as ringgit gains looks fragile

Overview

- **Performance:** In line with our call, MYR swung before firming to 4.047/USD from 4.058 as oil and UST yields sl.
- **Market Dynamics:** Democrats swept both chambers on 3 November. Reports of renewed US-Iran diplomacy then pushed Brent below USD95/bbl midweek. The 10-Y UST fell to the low 4.80s and the DXY eased to 101.5, but short-end yields soon recovered. Firm ISM services hiring and an 86k ADP print kept a December Fed hike alive, while the oil-driven repricing hit peers' rates harder. Even so, investors trimmed USD longs once the risk event cleared, pushing MYR below 4.05.
- **Data Impact:** US October payrolls tonight should rebound to around 70k from 29k, with unemployment steady at 4.2%. Barring a sharp miss, the print will not shift the Fed's tightening path in a low-hire, low-fire labour market. Price data matters more. CME FedWatch prices a roughly 70% chance of a December hike, and hot October CPI and PPI next week would lock it in. At home, BNM held the OPR at 2.75% with upbeat growth guidance, keeping our 1Q27 hike call intact.
- **Outlook:** Our base case sees a December Fed hike and US-Iran diplomacy holding, though Trump faces little constraint until the new Congress sits in January. Lower oil cuts peers' rates faster than USD rates and dents Malaysia's terms of trade, so the USD keeps its edge. Expect investors to stay light into CPI and Iran headlines, as Red Sea fighting keeps oil risk two-way. We see MYR within 4.04–4.06 next week, with seasonal year-end USD weakness needed to reach our 4.00 target.
- **Technical:** USDMYR nears oversold, trading below its 5-day EMA, flagging rebound risk. Support sits at 4.037, with resistance at 4.066.

Table 1: Currency Outlook

Long Term*

	Q3-26	Q4-26F	Q1-27F	Q2-27F	Q3-27F	Q4-27F	Trend
USDMYR	4.08	4.00	4.05	4.02	3.95	3.90	▼

Short Term (Technical)

	RSI (7)	EMA (5)	R1	R2	S1	S2	Trend
USDMYR	25.894	4.057	4.066	4.085	4.037	4.028	▲

Signal for USD Trend = ▲ Bullish — Neutral ▼ Bearish

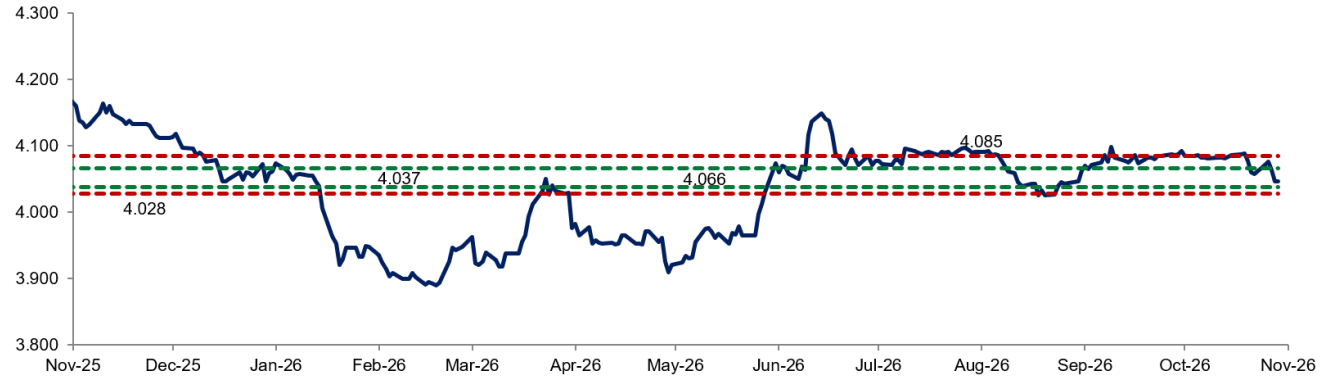
**F=Forecasts for end of period*
Source: Kenanga Research, Bloomberg

RSI (7): 7-day Relative Strength Index
Measures the speed and size of recent price changes to judge whether a security is overbought or oversold. A reading of 80 or above signals overbought conditions, while 20 or below signals oversold conditions.

EMA (5): 5-day Exponential Moving Average
EMA gives more weight to recent periods, so it reacts faster to the latest price moves. Older data points still carry some weight, even outside the selected period.

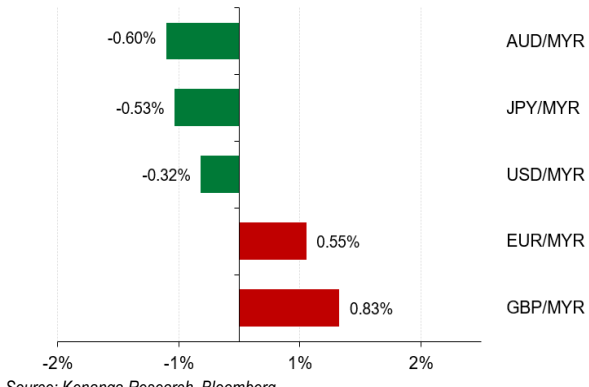
$$EMA = (P \times \alpha) + [Previous\ EMA \times (1 - \alpha)]$$

Graph 1: USDMYR Trend



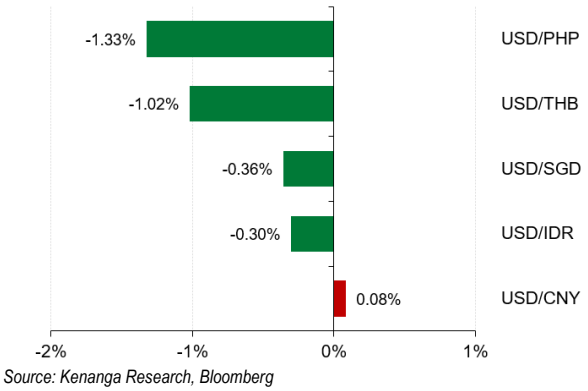
Source: Kenanga Research, Bloomberg

Graph 2: Weekly Core Pairs' Performance



Source: Kenanga Research, Bloomberg

Graph 3: Weekly Regional Peers' Performance



Source: Kenanga Research, Bloomberg

Table 2: Performance of Core Pairs

Currencies	02/01/26 YTD	05/11/25 Last Year	05/10/26 Last Month	29/10/26 Last Week	05/11/26 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
MYR									
USDMYR	4.054	4.191	4.087	4.060	4.047	-0.17%	-3.44%	-0.98%	-0.32%
AUDMYR	2.716	2.717	2.844	2.855	2.838	4.50%	4.45%	-0.21%	-0.60%
GBPMYR	5.455	5.466	5.405	5.404	5.449	-0.11%	-0.31%	0.82%	0.83%
EURMYR	4.752	4.813	4.580	4.520	4.545	-4.34%	-5.56%	-0.76%	0.55%
JPYMYR	2.585	2.728	2.588	2.569	2.556	-1.13%	-6.32%	-1.25%	-0.53%
SGDMYR	3.152	3.207	3.192	3.169	3.170	0.55%	-1.17%	-0.71%	0.03%
ASEAN 5 + CNY + JPY									
USDIDR	16725	16717	17917	18137	18082	8.11%	8.17%	0.92%	-0.30%
USDTHB	31.524	32.543	33.679	33.744	33.400	5.95%	2.63%	-0.83%	-1.02%
USDSGD	1.286	1.307	1.280	1.281	1.277	-0.74%	-2.34%	-0.30%	-0.36%
USDPHP	58.862	58.835	62.64	63.848	63.002	7.03%	7.08%	0.58%	-1.33%
USDCNY	6.989	7.127	6.706	6.661	6.667	-4.61%	-6.46%	-0.59%	0.08%
USDJPY	156.840	153.630	157.920	158.020	158.380	0.98%	3.09%	0.29%	0.23%
USD									
EURUSD	1.172	1.148	1.120	1.115	1.123	-4.19%	-2.22%	0.25%	0.71%
GBPUSD	1.346	1.303	1.322	1.332	1.346	0.04%	3.36%	1.82%	1.04%
AUDUSD	0.669	0.648	0.696	0.704	0.701	4.77%	8.23%	0.72%	-0.34%

Source: Kenanga Research, Bloomberg

Table 3: Upcoming Major Data Releases and Policy Announcements for the Week

Date	Country	Indicator	Previous	Consensus/Forecast
9/11/2026	CN	PPI (OCT)	5.0% YoY	5.3% YoY
9/11/2026	CN	Inflation Rate (OCT)	0.9% YoY	0.8% YoY
10/11/2026	CN	Exports (OCT)	36.3% YoY	38.0% YoY
10/11/2026	MY	Industrial Production (SEP)	5.0% YoY	N/A
10/11/2026	MY	Retail Sales (SEP)	6.5%YoY	N/A
10/11/2026	US	Core CPI (OCT)	0.3% MoM	0.2% MoM
11/11/2026	MY	Unemployment Rate (SEP)	2.9%	N/A
13/11/2026	US	PPI (OCT)	1.3% MoM	0.4% MoM

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