

Ringgit Weekly Outlook

Hawkish Fed repricing and prolonged Hormuz tensions to keep USDMYR range-bound

Overview

- Performance:** The MYR gained modestly to 3.95/USD early in the week from 3.97/USD previously, lifted by risk-on sentiment, before stabilising as geopolitical and Fed risks reasserted themselves.
- Market Dynamics:** Progress toward a durable US-Iran resolution remains uneven, with extended blockade risks, renewed Strait disruptions, and elevated oil prices sustaining USD safe-haven demand. The Fed's hawkish hold, growing resistance to easing, and higher US yields, particularly with the UST 10-year near 4.40%, reinforced USD resilience. Consequently, EM currencies including the MYR remain vulnerable to near-term external pressure.
- Data Impact:** The Fed's inflation-focused stance has raised the bar for near-term easing, turning attention to whether upcoming US labour and inflation data can materially soften policy expectations. Incoming US payrolls, wage growth, ECB, BoE, and BNM decisions will be key in shaping rate differentials, inflation expectations, and regional currency sentiment. Domestically, BNM is expected to hold, its tone likely focused on external risks.
- Outlook:** Our baseline still assumes eventual geopolitical de-escalation in 3Q26, which should reverse much of crude oil's war premium over time. However, prolonged energy volatility and the Fed's more hawkish posture suggest tighter financial conditions may persist longer. We therefore maintain a cautious USDMYR range of 3.94–3.98 next week, with upside risks skewed toward the upper band should Hormuz tensions escalate further.
- Technical:** USDMYR remains neutral centred around 3.95.

Table 1: Currency Outlook

Long Term*							
	Q1-26	Q2-26F	Q3-26F	Q4-26F	Q1-27F	Q2-27F	Trend
USDMYR	4.05	4.05	4.00	3.95	4.00	4.01	—
Short Term (Technical)							
	RSI (7)	EMA (5)	R1	R2	S1	S2	Trend
USDMYR	37.532	3.953	3.952	3.953	3.952	3.951	—

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

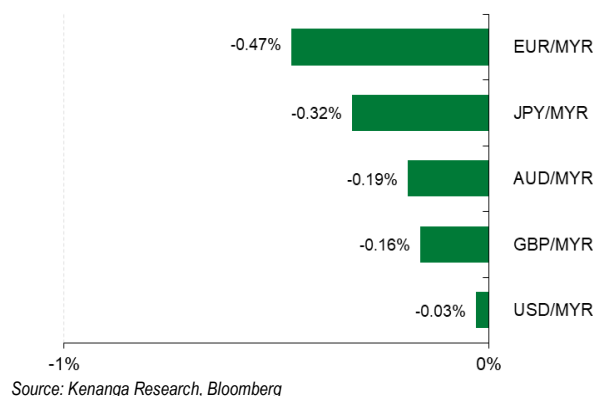
EMA gives more weight to the most recent periods, places more emphasis on what has been happening lately. Old data points retain a multiplier even if they are outside of the selected data series length.

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

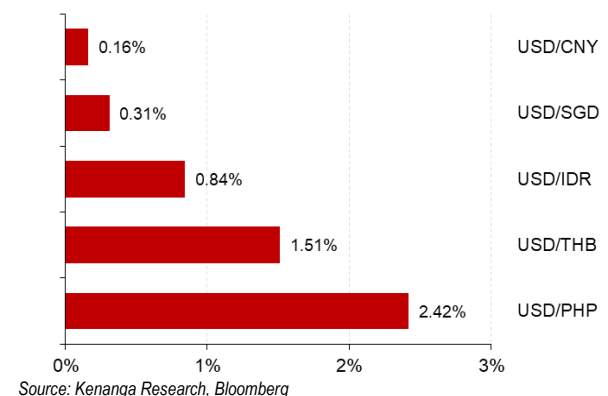
Graph 1: USDMYR Trend



Graph 2: Weekly Core Pairs' Performance



Graph 3: Weekly Regional Peers' Performance



30 Apr 2026

Table 2: Performance of Core Pairs

Currencies	02/01/26 YTD	29/04/25 Last Year	28/04/26 Last Month	22/04/26 Last Week	29/04/26 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
MYR									
USDMYR	4.054	4.327	3.953	3.953	3.952	-2.52%	-8.68%	-0.02%	-0.03%
AUDMYR	2.716	2.774	2.837	2.831	2.826	4.05%	1.86%	-0.39%	-0.19%
GBPMYR	5.455	5.797	5.334	5.345	5.336	-2.17%	-7.94%	0.05%	-0.16%
EURMYR	4.752	4.925	4.622	4.644	4.622	-2.72%	-6.15%	0.01%	-0.47%
JPYMYR	2.585	3.033	2.476	2.483	2.475	-4.27%	-18.42%	-0.05%	-0.32%
SGDMYR	3.152	3.305	3.096	3.105	3.093	-1.89%	-6.42%	-0.12%	-0.38%
ASEAN 5 + CNY + JPY									
USDIDR	16725	16761	17243	17181	17326	3.59%	3.37%	0.48%	0.84%
USDTHB	31.524	33.403	32.512	32.178	32.665	3.62%	-2.21%	0.47%	1.51%
USDSGD	1.286	1.310	1.277	1.273	1.277	-0.69%	-2.53%	0.01%	0.31%
USDPHP	58.862	56.142	61.285	60.137	61.592	4.64%	9.71%	0.50%	2.42%
USDCNY	6.989	7.271	6.837	6.828	6.840	-2.14%	-5.94%	0.04%	0.16%
USDJPY	156.840	142.660	159.630	159.230	159.760	1.86%	11.99%	0.08%	0.33%
USD									
EURUSD	1.172	1.138	1.169	1.175	1.171	-0.09%	2.91%	0.14%	-0.37%
GBPUSD	1.346	1.338	1.348	1.352	1.351	0.42%	0.96%	0.21%	-0.07%
AUDUSD	0.669	0.640	0.717	0.716	0.716	6.96%	11.88%	-0.08%	-0.04%

Source: Kenanga Research, Bloomberg

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

Date	Country	Indicator	Previous	Consensus/Forecast
4/5/2026	MY	S&P Global Manufacturing PMI (APR)	50.7	N/A
4/5/2026	US	Factory Orders (MAR)	0.0% MoM	-0.1% MoM
5/5/2026	US	ISM Services PMI (APR)	54.0	54.0
5/5/2026	US	JOLTs Job Openings (MAR)	6.882m	6.700m
6/5/2026	US	ADP Employment Change (APR)	62.0k	N/A
7/5/2026	MY	BNM Interest Rate Decision	2.75%	2.75%* (status quo)
8/5/2026	MY	Industrial Production (MAR)	3.1%	N/A
8/5/2026	US	Non Farm Payrolls (APR)	178.0k	80.0k

Source: Kenanga Research, Trading Economics, Bloomberg

*KIBB

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