

05 Dec 2025

Ringgit Weekly Outlook

Seen edging closer to 4.10/USD ahead of December FOMC as USD momentum softens

Overview

- Performance:** In line with our expectation, the ringgit traded mostly within the 4.12–4.13 band before firming to 4.11/USD on Thursday.
- Market Dynamics:** The DXY initially hovered around 99.5 as investors hesitated to fully price the Fed's dovish shift. Some safe-haven flows also offered support. The tone shifted after a JGB selloff, sparked by Ueda's hawkish comments, revived expectations of a December hike in Japan and pushed funds back into the yen. Sentiment toward the USD weakened further as the likelihood rose that Kevin Hassett, a known dove, could become the next Fed chair. Softer ADP payrolls and December's weak seasonal pattern then pushed the DXY below 99.0 and lifted the ringgit.
- Data Impact:** Unless core PCE surprises on the upside, markets are unlikely to alter their Fed expectations before the FOMC meeting. Policy divergence remains in play, with Japan leaning toward tightening and the US leaning toward easing. This supports a stronger JPY and weaker USD, although the unwinding of the yen carry trade still requires close monitoring. The Russia-Ukraine deadlock remains a geopolitical risk. Domestically, firmer IPI and retail sales should provide additional support.
- Outlook:** Markets have shifted from expecting a pause in December to assuming a cut, yet the next cut is priced only for April. This implies expectations of a "hawkish cut" in December. We maintain that labour-market data in mid-December could justify more easing in 1Q26. As expectations adjust, the USD may face renewed pressure. The prospect of Kevin Hassett joining the FOMC in February to replace Miran adds further downside bias to the USD. We expect the ringgit to trade closer to 4.10/USD after the FOMC.
- Technical:** USDMYR shows a mildly bullish bias. Technically, the pair may test its 5-day EMA of 4.12 within a 4.10–4.14 range.

Table 1: Currency Outlook

	Long Term*						Trend
	Q3-25	Q4-25F	Q1-26F	Q2-26F	Q3-26F	Q4-26F	
USDMYR	4.21	4.08	4.05	4.02	3.99	3.95	▼

	Short Term (Technical)						Trend
	RSI (7)	EMA (5)	R1	R2	S1	S2	
USDMYR	28.82	4.12	4.13	4.14	4.11	4.10	▲

Signal for USD Trend = ▲ Bullish — Neutral ▼ Bearish

*F=Forecasts for end of period

Source: Kenanga Research, Bloomberg

RSI (7): 7-day Relative Strength Index

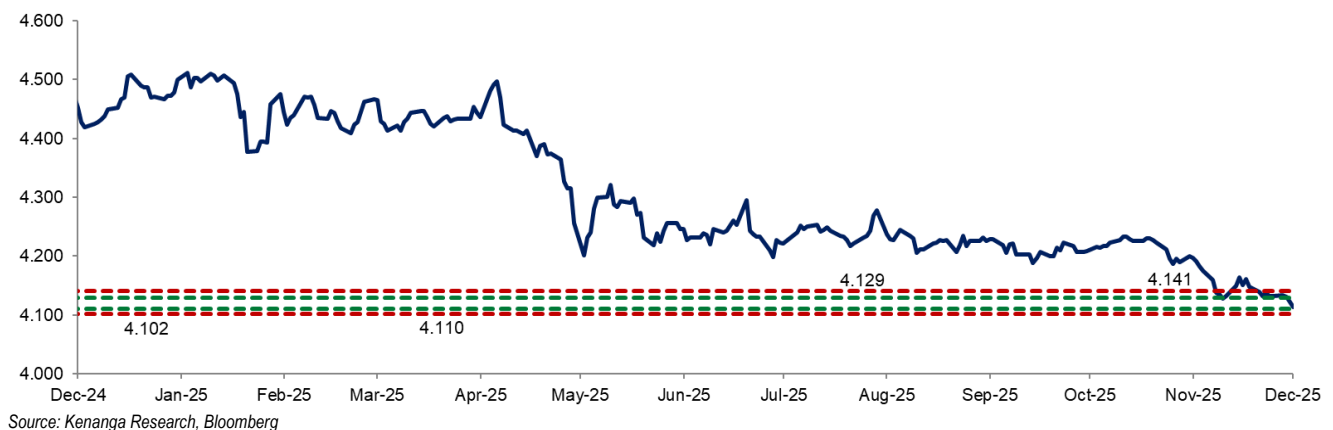
Measures the speed and magnitude of a security's recent price changes to evaluate overvalued or undervalued conditions. A reading of 80 or above indicates an overbought situation while a reading of 20 or below indicates an oversold condition.

EMA (5): 5-day Exponential Moving Average

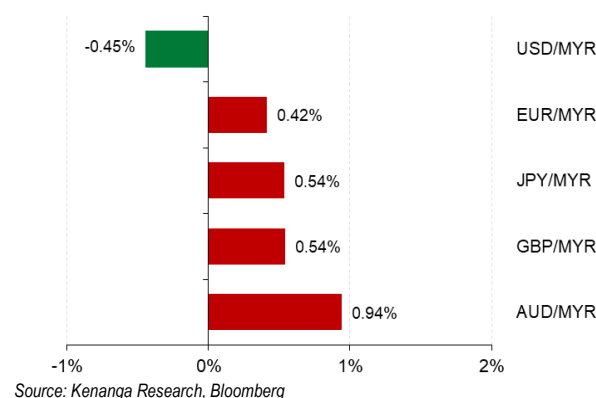
EMA gives more weight to the most recent periods, places more emphasis on what has been happening lately. Old data points retain a multiplier even if they are outside of the selected data series length.

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

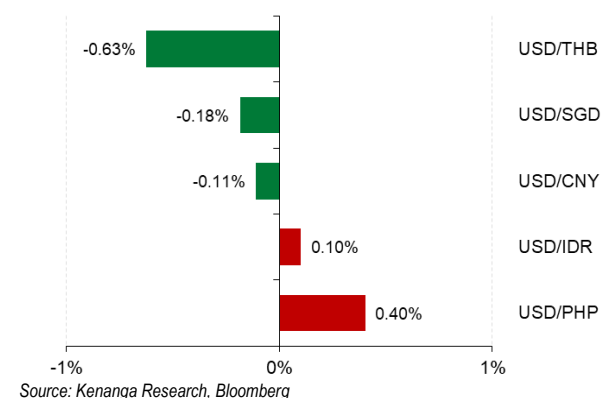
Graph 1: USDMYR Trend



Graph 2: Weekly Core Pairs' Performance



Graph 3: Weekly Regional Peers' Performance



05 Dec 2025

Table 2: Performance of Core Pairs

Currencies	02/01/25 YTD	04/12/24 Last Year	04/11/25 Last Month	27/11/25 Last Week	04/12/25 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
MYR									
USDMYR	4.479	4.453	4.197	4.133	4.114	-8.14%	-7.61%	-1.97%	-0.45%
AUDMYR	2.785	2.858	2.726	2.695	2.721	-2.29%	-4.81%	-0.19%	0.94%
GBPMYR	5.590	5.645	5.482	5.459	5.489	-1.81%	-2.77%	0.12%	0.54%
EURMYR	4.636	4.677	4.827	4.784	4.804	3.63%	2.73%	-0.46%	0.42%
JPYMYR	2.850	2.951	2.733	2.644	2.658	-6.72%	-9.92%	-2.72%	0.54%
SGDMYR	3.288	3.308	3.215	3.183	3.177	-3.37%	-3.96%	-1.18%	-0.21%
ASEAN 5 + CNY + JPY									
USIDR	16198	15937	16708	16636	16653	2.81%	4.49%	-0.33%	0.10%
USDTHB	34.276	34.328	32.529	32.235	32.033	-6.54%	-6.69%	-1.52%	-0.63%
USDSGD	1.365	1.347	1.305	1.298	1.295	-5.08%	-3.85%	-0.77%	-0.18%
USDPHP	57.884	58.26	58.529	58.782	59.019	1.96%	1.30%	0.84%	0.40%
USDCNY	7.299	7.264	7.130	7.080	7.072	-3.12%	-2.65%	-0.81%	-0.11%
USDJPY	157.140	150.870	153.580	156.290	154.750	-1.52%	2.57%	0.76%	-0.99%
USD									
EURUSD	1.032	1.050	1.150	1.158	1.167	13.09%	11.12%	1.42%	0.72%
GBPUSD	1.245	1.267	1.307	1.322	1.334	7.21%	5.35%	2.07%	0.91%
AUDUSD	0.621	0.641	0.650	0.652	0.661	6.47%	3.10%	1.68%	1.33%

Source: Kenanga Research, Bloomberg

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

Date	Country	Indicator	Previous	Consensus/Forecast
8/12/2025	CN	Balance of Trade (NOV)	USD90.07b	USD103.72b
9/12/2025	US	JOLTs Job Openings (OCT)	N/A	N/A
10/12/2025	CN	Inflation Rate (NOV)	0.2% YoY	0.7% YoY
10/12/2025	MY	Unemployment Rate (OCT)	3.0%	N/A
11/12/2025	US	Fed Interest Rate Decision	4.00%	3.75%* (25 bps cut)
11/12/2025	US	Initial Jobless Claims (DEC/06)	191.0k	N/A
12/12/2025	MY	Industrial Production (OCT)	2.5% YoY	N/A
12/12/2025	MY	Retail Sales (OCT)	7.0% YoY	N/A

Source: Kenanga Research, Trading Economics, Bloomberg

*KIBB

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