

Ringgit Weekly Outlook

Holds range as sticky US inflation and compressed volatility limit directional move

Overview

- Performance:** Ringgit held steady within 3.92-3.93/USD, with limited directional follow-through despite evolving macro and geopolitical development.
- Market Dynamics:** US-Iran negotiations remained stalled, sustaining energy supply risk premium and keeping crude oil elevated. Stronger US inflation data reinforced expectations of a prolonged restrictive Fed posture, anchoring US yields at elevated levels. However, FX response stayed muted. Compressed volatility and resilient equity markets dampened macro transmission, keeping USD gains and EM FX weakness within tight ranges.
- Data Impact:** Focus remains on policy communication and capital flow indicators. US FOMC minutes and Treasury flow data will be key positioning indicators, while Malaysia's inflation is expected to remain stable and benign. Energy developments remain the primary transmission channel into inflation expectations and rate pricing.
- Outlook:** We expect the US-Iran impasse to persist, with episodic escalations sustaining energy uncertainty and elevated oil prices. This reinforces sticky US inflation, supporting a restrictive Fed and USD carry appeal. However, low FX volatility and high equity beta are likely to continue muting currency transmission, preventing a sustained breakout. Positioning remains defensive with USD supported on dips but without conviction for a significant rally. We expect USDMYR consolidation within 3.93–3.96, with upside risks tied to renewed oil shocks or hawkish Fed surprises.
- Technical:** USDMYR remains in consolidation, with support at 3.926 and resistance at 3.936.

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	49.553	3.933	3.943	3.948	3.929	3.919	—

Signal for USD Trend = ▲ Bullish — Neutral ▼ Bearish

*F=Forecasts for end of period

Source: Kenanga Research, Bloomberg

RSI (7): 7-day Relative Strength Index

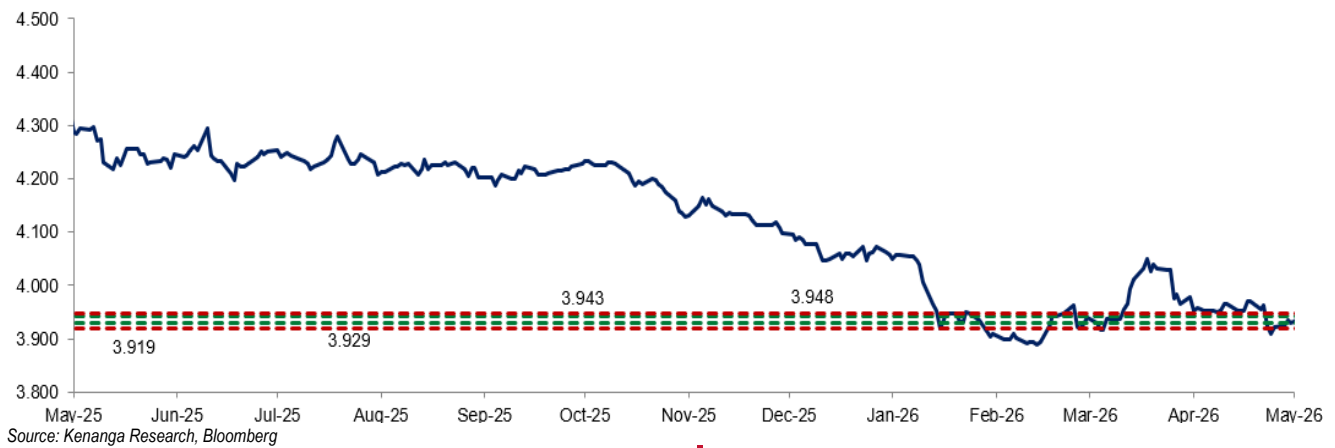
Measures the speed and magnitude of a security's recent price changes to evaluate overvalued or undervalued conditions. A reading of 80 or above indicates an overbought situation while a reading of 20 or below indicates an oversold condition.

EMA (5): 5-day Exponential Moving Average

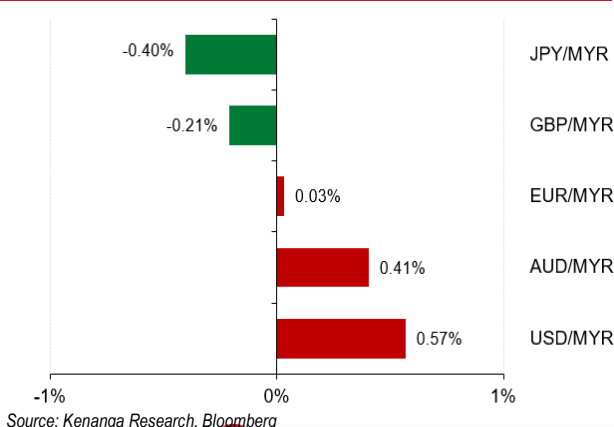
EMA gives more weight to the most recent periods, places more emphasis on what has been happening lately. Old data points retain a multiplier even if they are outside of the selected data series length.

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

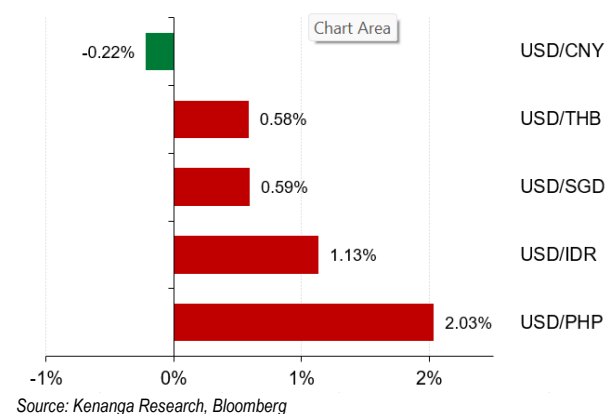
Graph 1: USDMYR Trend



Graph 2: Weekly Core Pairs' Performance



Graph 3: Weekly Regional Peers' Performance



15 May 2026

Table 2: Performance of Core Pairs

Currencies	02/01/26 YTD	14/05/25 Last Year	28/04/26 Last Month	07/05/26 Last Week	14/5/2026 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
MYR									
USDMYR	4.054	4.288	3.953	3.909	3.932	-3.02%	-8.30%	-0.54%	0.57%
AUDMYR	2.716	2.779	2.837	2.837	2.849	4.90%	2.49%	0.42%	0.41%
GBPMYR	5.455	5.724	5.334	5.322	5.311	-2.63%	-7.22%	-0.42%	-0.21%
EURMYR	4.752	4.825	4.622	4.601	4.603	-3.13%	-4.60%	-0.41%	0.03%
JPYMYR	2.585	2.938	2.476	2.500	2.849	-3.69%	-15.28%	0.55%	-0.40%
SGDMYR	3.152	3.308	3.096	3.088	3.088	-2.04%	-6.64%	-0.27%	-0.01%
ASEAN 5 + CNY + JPY									
USDIDR	16725	16562	17243	17333	17529	4.81%	5.84%	1.66%	1.13%
USDTHB	31.524	33.192	32.512	32.146	32.334	2.57%	-2.58%	-0.55%	0.58%
USDSGD	1.286	1.297	1.277	1.266	1.273	-0.99%	-1.82%	-0.29%	0.59%
USDPHP	58.862	55.882	61.285	60.412	61.641	4.72%	10.31%	0.58%	2.03%
USDCNY	6.989	7.208	6.837	6.802	6.787	-2.89%	-5.84%	-0.73%	-0.22%
USDJPY	156.840	145.930	159.630	156.400	157.930	0.69%	8.22%	-1.06%	0.98%
USD									
EURUSD	1.172	1.123	1.169	1.177	1.171	-0.09%	4.26%	0.14%	-0.49%
GBPUSD	1.346	1.335	1.348	1.362	1.351	0.42%	1.22%	0.21%	-0.79%
AUDUSD	0.669	0.648	0.717	0.726	0.724	8.22%	11.86%	1.09%	-0.18%

Source: Kenanga Research, Bloomberg

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

Date	Country	Indicator	Previous	Consensus/Forecast
18/5/2026	CN	Retail Sales (APR)	1.7% YoY	1.9% YoY
19/5/2026	US	ADP Weekly Employment Change	33.0k	N/A
19/5/2026	MY	Inflation Rate (APR)	1.7% YoY	1.9% YoY*
19/5/2026	JP	GDP Growth Rate Advance (Q1)	0.3% YoY	0.4% YoY
20/5/2026	CN	Loan Prime Rate (1Y)	3.00%	3.00% (status quo)
20/5/2026	MY	Exports (APR)	8.3% YoY	10.9% YoY*
21/5/2026	US	FOMC Minutes	N/A	N/A
21/5/2026	JP	Exports (APR)	11.7% YoY	8.5% YoY

Source: Kenanga Research, Trading Economics, Bloomberg

*KIBB

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