

11 September 2026

# Ringgit Weekly Outlook

## August CPI to test stretched Fed hike bet; ringgit relief hinges on core

### Overview

- Performance:** MYR closed Thursday at 4.065/USD from 4.045 last Friday, among EM's weakest, after touching 4.070 on Wednesday.
- Market Dynamics:** A sharp yen rally on BoJ tightening and GPIF repatriation bets drove USDJPY below 155.0, while Houthi gains near Bab el-Mandeb lifted Brent above USD100/barrel (bbl). A smaller-than-expected Treasury buyback revived the USD on Wednesday, sending MYR to 4.070. Otherwise, the greenback stayed soft despite firm payrolls and higher energy prices. The Ringgit lagged peers even with record August bond inflows of RM15.9b, pointing to domestic repricing rather than foreign selling.
- Data Watch:** Tonight's US August CPI is the week's decisive print. Core at or below 0.2% MoM keeps the Fed on hold next week. Thursday's PPI already leans that way, with core at 0.2% against 0.3% consensus. The positioning gap is stark. Futures price above 70.0% odds of a 25 bps hike, yet fewer than a fifth of Bloomberg survey respondents expect one. That divergence, not the print alone, defines the ringgit's risk. The BoJ follows, and we keep our 25 bps hike call.
- Outlook:** We expect the Fed to hold next week and deliver its first cut in 2Q27. Red Sea escalation should keep Brent above USD100.0/bbl without broadening the inflation impulse. A hold would unwind much of the hike premium, compressing the USD's carry advantage and easing the pressure that pushed MYR to 4.070. Hike bets look stretched, but investors remain reluctant to add ringgit risk before the print. An in-line core reading opens 4.040-4.060, while broadening services inflation would expose 4.080.
- Technical:** USDMYR is overbought and extended above EMA-5 at 4.064. Mean reversion favoured. Support 4.056; resistance 4.084.

### Table 1: Currency Outlook

| Long Term* |       |        |        |        |        |         |
|------------|-------|--------|--------|--------|--------|---------|
|            | Q2-26 | Q3-26F | Q4-26F | Q1-27F | Q2-27F | Q3-27F  |
| USDMYR     | 4.08  | 4.03   | 3.95   | 4.00   | 4.02   | 3.95    |
|            |       |        |        |        |        | Trend ▼ |

| Short Term (Technical) |         |         |       |       |       |         |
|------------------------|---------|---------|-------|-------|-------|---------|
|                        | RSI (7) | EMA (5) | R1    | R2    | S1    | S2      |
| USDMYR                 | 72.694  | 4.064   | 4.084 | 4.093 | 4.056 | 4.037   |
|                        |         |         |       |       |       | Trend ▼ |

Signal for USD Trend = ▲ Bullish    ● Neutral    ▼ Bearish

\*F=Forecasts for end of period

Source: Kenanga Research, Bloomberg

RSI (7): 7-day Relative Strength Index

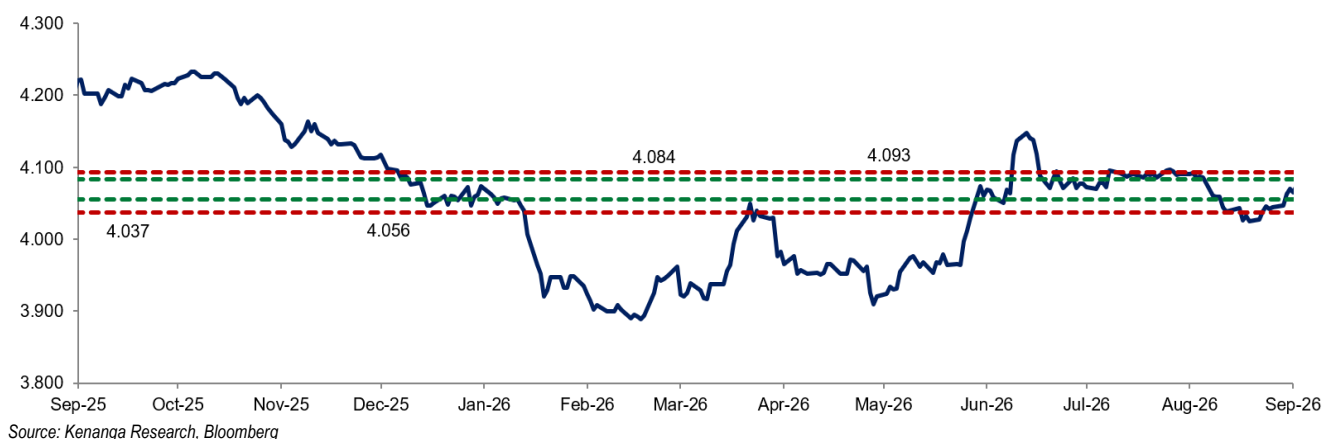
Measures the speed and magnitude of a security's recent price changes to evaluate overvalued or undervalued conditions. A reading of 80 or above indicates an overbought situation while a reading of 20 or below indicates an oversold condition.

EMA (5): 5-day Exponential Moving Average

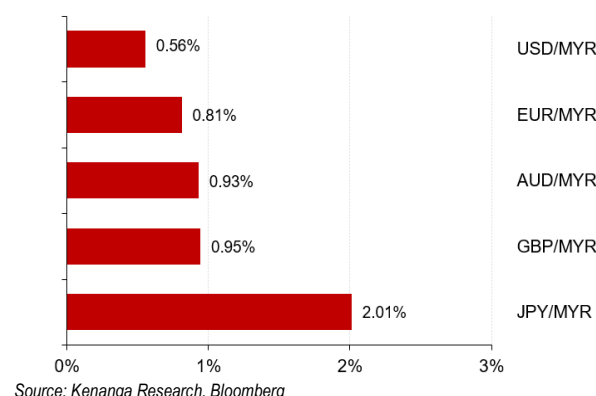
EMA gives more weight to the most recent periods, places more emphasis on what has been happening lately. Old data points retain a multiplier even if they are outside of the selected data series length.

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

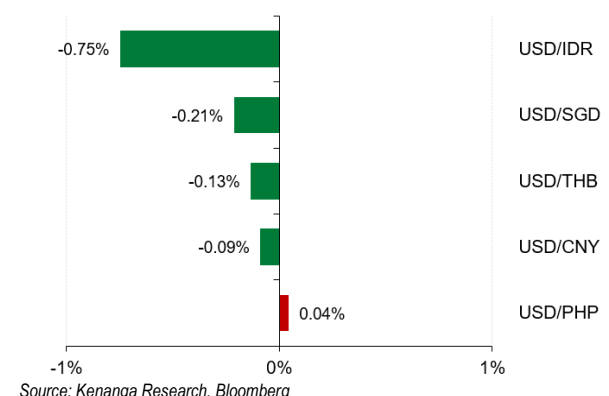
### Graph 1: USDMYR Trend



### Graph 2: Weekly Core Pairs' Performance



### Graph 3: Weekly Regional Peers' Performance



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Table 2: Performance of Core Pairs

| Currencies          | 02/01/26<br>YTD | 10/09/25<br>Last Year | 28/04/26<br>Last Month | 03/09/26<br>Last Week | 10/09/26<br>Yesterday | ytd (%) | yoy (%) | mom (%) | wow (%) |
|---------------------|-----------------|-----------------------|------------------------|-----------------------|-----------------------|---------|---------|---------|---------|
| MYR                 |                 |                       |                        |                       |                       |         |         |         |         |
| USDMYR              | 4.054           | 4.220                 | 3.953                  | 4.043                 | 4.065                 | 0.28%   | -3.68%  | 2.84%   | 0.56%   |
| AUDMYR              | 2.716           | 2.789                 | 2.837                  | 2.904                 | 2.931                 | 7.94%   | 5.11%   | 3.34%   | 0.93%   |
| GBPMYR              | 5.455           | 5.715                 | 5.334                  | 5.456                 | 5.508                 | 0.98%   | -3.62%  | 3.27%   | 0.95%   |
| EURMYR              | 4.752           | 4.943                 | 4.622                  | 4.692                 | 4.730                 | -0.46%  | -4.32%  | 2.33%   | 0.81%   |
| JPYMYR              | 2.585           | 2.862                 | 2.476                  | 2.586                 | 2.638                 | 2.06%   | -7.81%  | 6.56%   | 2.01%   |
| SGDMYR              | 3.152           | 3.290                 | 3.096                  | 3.186                 | 3.213                 | 1.93%   | -2.33%  | 3.77%   | 0.84%   |
| ASEAN 5 + CNY + JPY |                 |                       |                        |                       |                       |         |         |         |         |
| USIDR               | 16725           | 16470                 | 17243                  | 17679                 | 17547                 | 4.91%   | 6.54%   | 1.76%   | -0.75%  |
| USDTHB              | 31.524          | 31.779                | 32.512                 | 33.012                | 32.968                | 4.58%   | 3.74%   | 1.40%   | -0.13%  |
| USDSGD              | 1.286           | 1.283                 | 1.277                  | 1.269                 | 1.266                 | -1.56%  | -1.36%  | -0.87%  | -0.21%  |
| USDPHP              | 58.862          | 57.122                | 61.285                 | 62.52                 | 62.547                | 6.26%   | 9.50%   | 2.06%   | 0.04%   |
| USDCNY              | 6.989           | 7.121                 | 6.837                  | 6.718                 | 6.712                 | -3.96%  | -5.74%  | -1.83%  | -0.09%  |
| USDJPY              | 156.840         | 147.480               | 159.630                | 156.320               | 154.080               | -1.76%  | 4.48%   | -3.48%  | -1.43%  |
| USD                 |                 |                       |                        |                       |                       |         |         |         |         |
| EURUSD              | 1.172           | 1.170                 | 1.169                  | 1.160                 | 1.163                 | -0.78%  | -0.62%  | -0.56%  | 0.21%   |
| GBPUSD              | 1.346           | 1.354                 | 1.348                  | 1.350                 | 1.354                 | 0.62%   | 0.00%   | 0.41%   | 0.33%   |
| AUDUSD              | 0.669           | 0.660                 | 0.717                  | 0.719                 | 0.720                 | 7.58%   | 9.04%   | 0.49%   | 0.14%   |

Source: Kenanga Research, Bloomberg

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

| Date      | Country | Indicator                          | Previous  | Consensus/Forecast   |
|-----------|---------|------------------------------------|-----------|----------------------|
| 15/9/2026 | CN      | Industrial Production (AUG)        | 4.5% YoY  | 4.8% YoY             |
| 15/9/2026 | CN      | Retail Sales (AUG)                 | 0.6% YoY  | 0.8% YoY             |
| 16/9/2026 | US      | Retail Sales (AUG)                 | -0.6% MoM | 0.9% MoM             |
| 17/9/2026 | US      | Fed Interest Rate Decision         | 3.75%     | 3.75%* (status quo)  |
| 17/9/2026 | UK      | BoE Interest Rate Decision         | 3.75%     | 3.75% (status quo)   |
| 17/9/2026 | US      | Building Permits Preliminary (AUG) | 1.433m    | 1.410m               |
| 18/9/2026 | JP      | Inflation Rate (AUG)               | 1.9% YoY  | 2.0% YoY             |
| 18/9/2026 | JP      | BoJ Interest Rate Decision         | 1.00%     | 1.25%* (25 bps hike) |

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](mailto:wansuhaimi@kenanga.com.my)

**Muhammad Saifuddin Sapuan**  
Economist  
[saifuddin.sapuan@kenanga.com.my](mailto:saifuddin.sapuan@kenanga.com.my)

**Afiq Asyraf Syazwan Abd. Rahim**  
Economist  
[afiqasyraf@kenanga.com.my](mailto:afiqasyraf@kenanga.com.my)

**Nurul Hanees Hairulkama**  
Economist  
[nurulhanees@kenanga.com.my](mailto:nurulhanees@kenanga.com.my)

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**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](http://www.kenanga.com.my) E-mail: [research@kenanga.com.my](mailto:research@kenanga.com.my)