

Ringgit Weekly Outlook

Headline fatigue and steady Fed bets set to cap USDMYR upside

Overview

- **Performance:** The MYR strengthened to 3.95/USD as markets priced in de-escalation despite persistent naval blockade tensions.
- **Market Dynamics:** Failed Islamabad talks triggered a brief USD spike before Trump's negotiation comments spurred USD selling. Markets took a more constructive view of the naval blockade, treating it as a catalyst for renewed diplomacy. This eroded the USD's safe-haven appeal as crude prices failed to sustain initial gains. Consequently, investors faded USD bounces, shifting rotating into pro-growth EM currencies.
- **Data Impact:** March PPI surprised to the downside, and Beige Book reports point to margin compression, reinforcing expectations for a stable Fed funds rate at 3.75%. US TIC data shows resilient foreign demand for Treasuries, but the absence of a hawkish catalyst ahead of the FOMC meeting limits USD upside. Domestically, attention turns to how China manages Iranian oil disruptions, which remains a secondary driver for regional sentiment. With minimal Fed easing priced in, the USD stays vulnerable to any dovish shifts.
- **Outlook:** Geopolitical headline fatigue is the dominant theme. Should ceasefire talks gain traction, the DXY could break below 98.0, supported by a relatively hawkish global central bank stance. Investors are likely to stay pending Kevin Warsh's confirmation hearing (potentially April 21) for signals on the next easing cycle. We expect USDMYR to consolidate within 3.94-3.98 range, as markets weigh premature optimism against re-escalation risks.
- **Technical:** USDMYR faces resistance at 3.97 and support at 3.95, with indicators neutral amid prevailing consolidation patterns.

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	35.662	3.961	3.971	3.986	3.946	3.937	—

Signal for USD Trend = ▲ Bullish — Neutral ▼ Bearish

*F=Forecasts for end of period

Source: Kenanga Research, Bloomberg

RSI (7): 7-day Relative Strength Index

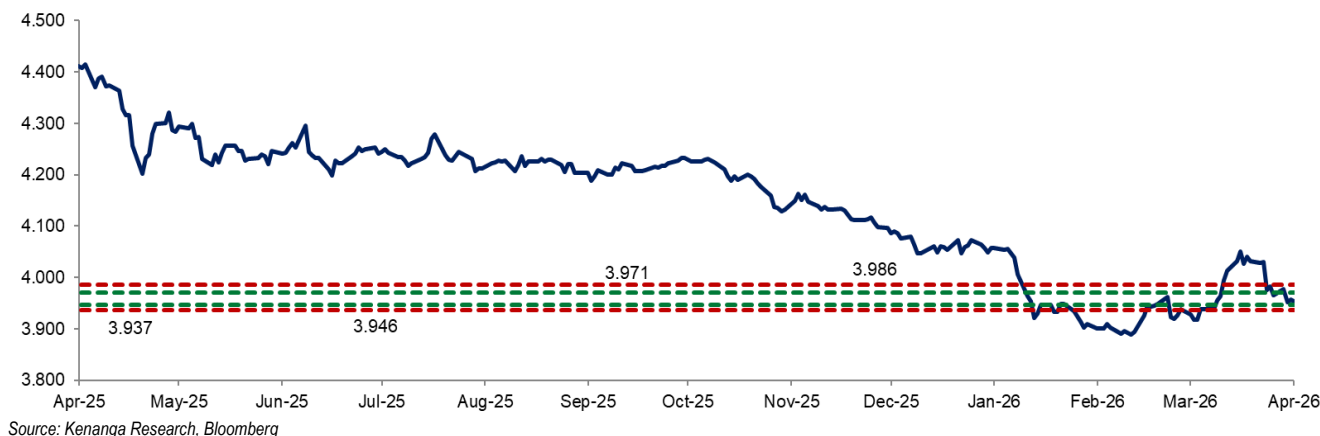
Measures the speed and magnitude of a security's recent price changes to evaluate overvalued or undervalued conditions. A reading of 80 or above indicates an overbought situation while a reading of 20 or below indicates an oversold condition.

EMA (5): 5-day Exponential Moving Average

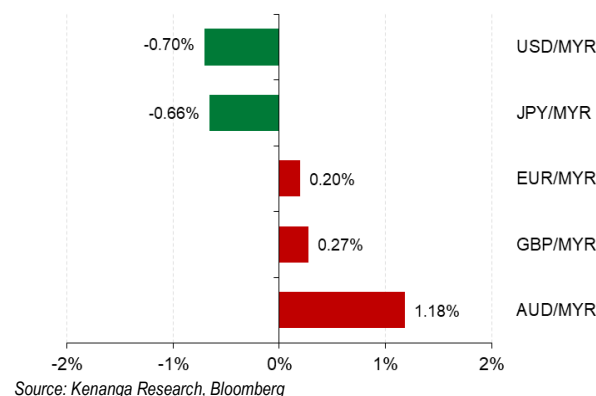
EMA gives more weight to the most recent periods, places more emphasis on what has been happening lately. Old data points retain a multiplier even if they are outside of the selected data series length.

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

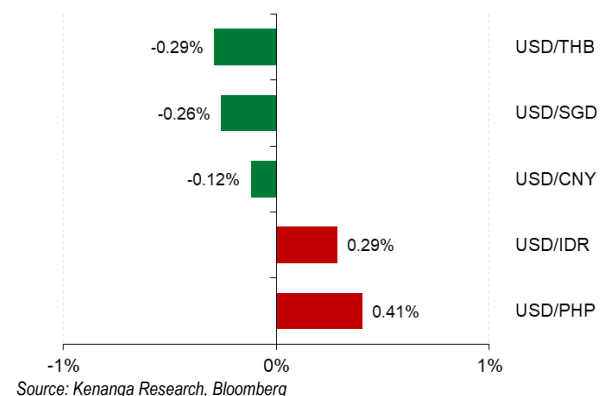
Graph 1: USDMYR Trend



Graph 2: Weekly Core Pairs' Performance



Graph 3: Weekly Regional Peers' Performance



17 Apr 2026

Table 2: Performance of Core Pairs

Currencies	02/01/26 YTD	16/04/25 Last Year	16/03/26 Last Month	09/04/26 Last Week	16/04/26 Yesterday	ytd (%)	yoy (%)	mom (%)	wow (%)
MYR									
USDMYR	4.054	4.411	3.929	3.982	3.954	-2.46%	-10.36%	0.65%	-0.70%
AUDMYR	2.716	2.809	2.760	2.802	2.835	4.39%	0.94%	2.73%	1.18%
GBPMYR	5.455	5.849	5.204	5.340	5.354	-1.84%	-8.47%	2.88%	0.27%
EURMYR	4.752	5.009	4.498	4.649	4.658	-1.97%	-7.01%	3.55%	0.20%
JPYMYR	2.585	3.088	2.467	2.503	2.487	-3.80%	-19.48%	0.78%	-0.66%
SGDMYR	3.152	3.355	3.068	3.123	3.109	-1.39%	-7.33%	1.34%	-0.45%
ASEAN 5 + CNY + JPY									
USDIDR	16725	16837	16997	17090	17139	2.48%	1.79%	0.84%	0.29%
USDTHB	31.524	33.224	32.464	32.108	32.014	1.55%	-3.64%	-1.39%	-0.29%
USDSGD	1.286	1.314	1.279	1.275	1.272	-1.08%	-3.20%	-0.54%	-0.26%
USDPHP	58.862	56.75	59.898	59.753	59.995	1.92%	5.72%	0.16%	0.41%
USDCNY	6.989	7.300	6.892	6.831	6.823	-2.38%	-6.53%	-1.00%	-0.12%
USDJPY	156.840	142.800	159.230	159.080	159.020	1.39%	11.36%	-0.13%	-0.04%
USD									
EURUSD	1.172	1.136	1.148	1.167	1.178	0.52%	3.72%	2.66%	0.93%
GBPUSD	1.346	1.327	1.327	1.340	1.354	0.65%	2.10%	2.05%	1.10%
AUDUSD	0.669	0.637	0.705	0.703	0.717	7.08%	12.48%	1.66%	1.95%

Source: Kenanga Research, Bloomberg

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

Date	Country	Indicator	Previous	Consensus/Forecast
20/4/2026	CN	Loan Prime Rate (1Y)	3.00%	3.00% (status quo)
20/4/2026	MY	Exports (MAR)	10.8% YoY	6.6% YoY*
21/4/2026	JP	Balance of Trade (MAR)	JPY57.3b	N/A
21/4/2026	UK	Unemployment Rate (FEB)	5.2%	N/A
21/4/2026	US	Retail Sales (MAR)	0.6% MoM	1.3% MoM
21/4/2026	US	Pending Home Sales (MAR)	1.8% MoM	N/A
22/4/2026	UK	Inflation Rate (MAR)	3.0% YoY	N/A
23/4/2026	US	Initial Jobless Claims (APR/18)	207.0k	N/A

Source: Kenanga Research, Trading Economics, Bloomberg

*KIBB

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