

13 Feb 2026

Ringgit Weekly Outlook

USD rally fatigue anchors MYR near 3.90

Overview

- Performance:** The MYR strengthened towards 3.90/USD, tracking broad USD softness despite resilient US labour data.
- Market Dynamics:** USD weakness remained the primary driver of MYR gains. The DXY slipped below 97.0 as markets chose to sell rallies rather than extend them. December retail sales disappointed, signalling softer real consumption. January payrolls beat at 130.0k with unemployment at 4.3%, yet heavy downward revisions diluted momentum. The DXY could not hold gains despite firmer front-end yields. Reports that Chinese regulators urged banks to limit US Treasury concentration reinforced diversification themes, while options markets continue to demand for USD downside hedges.
- Data Impact:** Focus turns to US inflation cross-checks. Investors will parse the FOMC minutes for signals on labour cooling, while inflation numbers remain pivotal for rate repricing. Malaysia's CPI and export data will test whether external softness is feeding through trade. Although we shifted our Fed cut call from March to June, softer consumption data has reopened debate at the margin. Still, solid payrolls reading increase raise the bar for markets to bring forward rate cut expectations absent softer core CPI prints.
- Outlook:** Asymmetry defines the environment. Solid US data no longer guarantees sustained USD strength. Strategic diversification flows and recalibrated growth expectations have increased the market's tendency to monetise rallies. For MYR, external USD path remains dominant while domestic stability plays supporting role. We expect the MYR to trade broadly around 3.90/USD. A sustained USD recovery would require firmer inflation and higher real yields.
- Technical:** USDMYR appears due for a minor technical correction, with scope for a drift towards the 5-day EMA around 3.92.

Table 1: Currency Outlook

	Long Term*						Trend	
	Q4-25	Q1-26F	Q2-26F	Q3-26F	Q4-26F	Q1-27F		
USDMYR	4.06	4.05	4.02	3.99	3.95	4.00	▼	
	Short Term (Technical)							Trend
	RSI (7)	EMA (5)	R1	R2	S1	S2		
USDMYR	22.756	3.915	3.926	3.947	3.894	3.882	▲	

Signal for USD Trend = ▲ Bullish ▬ Neutral ▼ Bearish

*F=Forecasts for end of period

Source: Kenanga Research, Bloomberg

RSI (7): 7-day Relative Strength Index

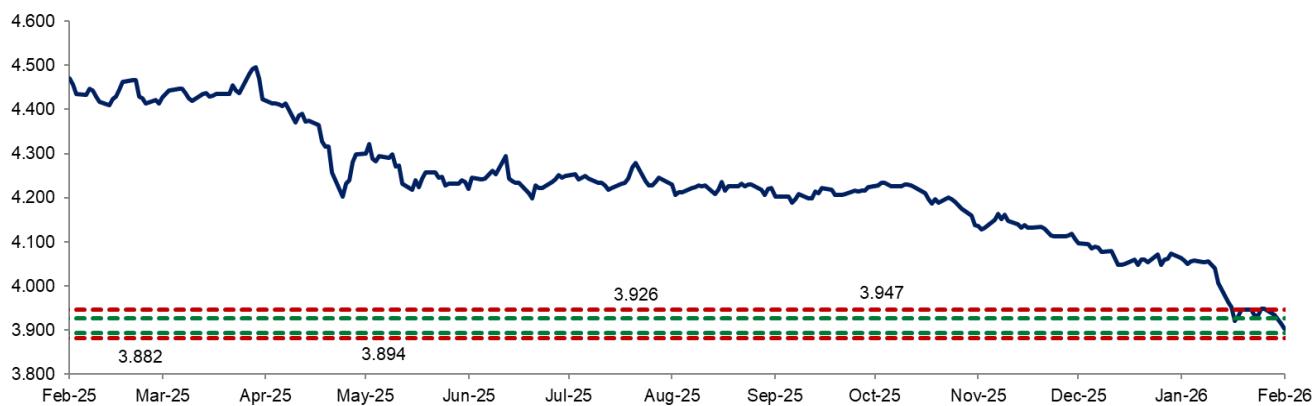
Measures the speed and magnitude of a security's recent price changes to evaluate overvalued or undervalued conditions. A reading of 80 or above indicates an overbought situation while a reading of 20 or below indicates an oversold condition.

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.

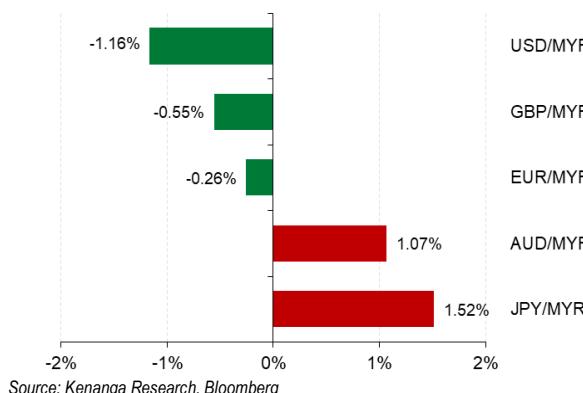
$$EMA = (P \times \alpha) + [Previous EMA \times (1 - \alpha)]$$

Graph 1: USDMYR Trend



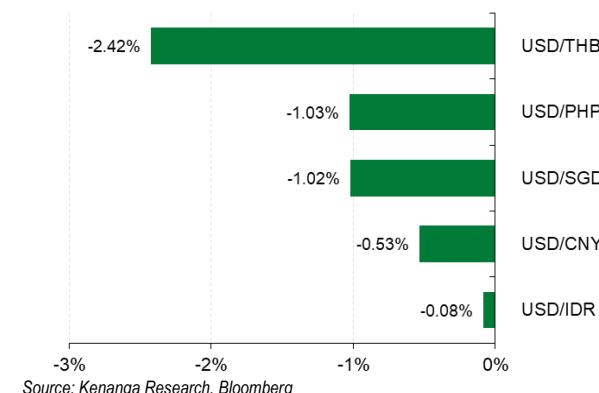
Source: Kenanga Research, Bloomberg

Graph 2: Weekly Core Pairs' Performance



Source: Kenanga Research, Bloomberg

Graph 3: Weekly Regional Peers' Performance



Source: Kenanga Research, Bloomberg

Table 2: Performance of Core Pairs

Currencies	02/01/26 YTD	12/02/25 Last Year	12/01/26 Last Month	05/02/26 Last Week	12/02/26 Yesterday	ytd (%)	oyy (%)	mom (%)	wow (%)
MYR									
USDMYR	4.054	4.470	4.063	3.949	3.903	-12.85%	-12.69%	-3.95%	-1.16%
AUDMYR	2.716	2.806	2.725	2.751	2.780	-0.17%	-0.92%	2.00%	1.07%
GBPMYR	5.455	5.563	5.467	5.356	5.327	-4.71%	-4.25%	-2.56%	-0.55%
EURMYR	4.752	4.638	4.747	4.652	4.640	0.08%	0.04%	-2.25%	-0.26%
JPYMYR	2.585	2.911	2.574	2.511	2.549	-10.55%	-12.42%	-0.96%	1.52%
SGDMYR	3.152	3.304	3.159	3.098	3.096	-5.82%	-6.27%	-1.98%	-0.04%
ASEAN 5 + CNY + JPY									
USDIR	16725	16376	16855	16842	16828	3.89%	2.76%	-0.16%	-0.08%
USDTHB	31.524	34.147	31.252	31.74	30.971	-9.64%	-9.30%	-0.90%	-2.42%
USDSGD	1.286	1.353	1.286	1.274	1.261	-7.60%	-6.81%	-1.94%	-1.02%
USDPHP	58.862	58.19	59.255	58.711	58.108	0.39%	-0.14%	-1.94%	-1.03%
USDCNY	6.989	7.307	6.973	6.938	6.901	-5.46%	-5.55%	-1.03%	-0.53%
USDJPY	156.840	153.580	157.850	157.240	153.120	-2.56%	-0.30%	-3.00%	-2.62%
USD									
EURUSD	1.172	1.038	1.169	1.179	1.188	15.12%	14.47%	1.63%	0.76%
GBPUSD	1.346	1.244	1.347	1.359	1.364	9.58%	9.62%	1.25%	0.38%
AUDUSD	0.669	0.628	0.671	0.698	0.712	14.72%	13.46%	6.12%	2.12%

Source: Kenanga Research, Bloomberg

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

Date	Country	Indicator	Previous	Consensus/Forecast
16/2/2026	JP	GDP Growth Rate Preliminary (Q4)	-0.6% QoQ	0.4% QoQ
17/2/2026	US	ADP Employment Change Weekly	6.5k	N/A
18/2/2026	US	Durable Goods Orders (DEC)	5.3% MoM	-1.7% MoM
19/2/2026	US	FOMC Minutes	N/A	N/A
19/2/2026	MY	Inflation Rate (JAN)	1.6% YoY	1.5% YoY*
20/2/2026	MY	Exports (JAN)	10.4% YoY	N/A
20/2/2026	US	Core PCE Price Index (DEC)	0.2% MoM	0.3% MoM
20/2/2026	US	GDP Growth Rate Advance (Q4)	4.4% QoQ	2.8% QoQ

Source: Kenanga Research, Trading Economics, Bloomberg

*KIBB

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